

A NEW GREAT GAME:
US – CHINA COMPETITION IN GUAM AND THE CNMI

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APPROVAL

The undersigned certify that this thesis meets master's-level standards of research, argumentation, and expression.

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DISCLAIMER

The conclusions and opinions expressed in this document are those of the author. They do not reflect the official position of the US Government, Department of Defense, the United States Air Force, or Air University.



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ABSTRACT

This study comprises an analysis of US and Chinese competition for influence and control on Guam and the Commonwealth of the Northern Mariana Islands (CNMI). To familiarize the reader with vast distances associated with the western Pacific, the author first provides a geographic context. This perspective is then extended to include histories and socioeconomic surveys of both Guam and the CNMI and their respective peoples. Having expressed this contextual background, the author then presents the significance of these islands to both the US and China and, more importantly, how they fit into each country's respective national strategy. Additionally, and central to the thesis, the author describes fundamental deficits in US policy, namely non-immigrant worker and tourist visas, which greatly aids an already aggressive Chinese information collection posture. The author represents Chinese intelligence apparatuses as distinct from the US, favoring low level collection while trending towards US-like bureaucratic development. As an extension of its asymmetric approach, China's broad information collection program further undercuts US strength and diminishes its relative military advantage. While admitting little can be done to ease the military challenge and response so pervasive and engrained into both the US and Chinese national psyches, the author identifies policy opportunities the US can leverage to effectively restrict Chinese access to these increasingly important islands.

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Chapter 1

Introduction

In March 2016, Kristien Bergerson, a US-China Economic and Security Review Commission senior policy analyst, authored a research report entitled *China's Efforts to Counter US Forward Presence in the Asia Pacific*. During this text, Bergerson detailed how China uses engagement, coercion, and alliance splitting to shape its environment and erode US power.¹ She then applied this framework to present challenges to US maintenance of its forward operating bases, Guam and the Commonwealth of the Northern Mariana Islands (CNMI) among them. Utilizing Bergerson's work as a jumping off point, this thesis seeks to identify the implications of growing Chinese influence in the western Pacific's second island chain and how the US can best prevent and roll back any further incursions.

While both military and political circles have focused upon Chinese island reclamation projects in the South China Sea, these groups have paid far less notice to Chinese non-military advancements in Guam and the CNMI. As will be discussed, these islands are essential to US power projection and its strategic forward position in the Pacific. In turn, the US has spent and apportioned billions of dollars to reinforce this key logistics, training, and operations hub cementing its central role in the Pacific pivot. Despite this US military buildup, these islands have become an increasingly desirable target for Chinese expansionism. While Chinese kinetic weaponry (its ships, aircraft, and missiles) has garnered the preponderance of attention, China's nonmilitary inroads into Guam and the CNMI have gone unnoticed by US military decision makers, senior policy officials, and international media. It would appear the US in Guam and the CNMI is playing the role of the metaphorical frog being slowly boiled to death in a Chinese pot.

¹ Kristien Bergerson, *China's Efforts to Counter US Forward Presence in the Asia Pacific*, (Washington, DC: US-China Economic and Security Review Commission, 2016), 3.

Definitions and Assumptions²

This paper will frequently reference both the first and second island chains. While numerous definitions exist, for the purposes of this paper, and as depicted in Figure 1, the first island chain extends from the southern Japanese islands in the north to the northern coast of the Philippines and Malaysia in the south. The second island chain extends from Japan's Honshu Island in the north through the Northern Mariana Islands and Guam sweeping southwest through Palau and western Micronesia ultimately terminating off the northern coast of Papua. Further definitions will be provided throughout the paper as required.

To properly assess the thesis, one must assume China possesses the ability to hold first island chain states at an increased, almost unacceptable, level of risk. While such an assumption may seem unpalatable to US military officials and, more importantly, these states themselves, China does possess the capability to saturate first island chain defenses.

² To garner a wider audience for this paper, research material was kept to unclassified, open sources. No "For Official Use Only" documents, both US and Chinese were considered. With the exception of the books listed in the bibliography, all material was accessible via the internet. Thanks to this availability of information, no interviews were necessary to complete this study.

Additionally, one should consider any references to Chinese texts as secondary sources. On its face, admittance should spark no controversy. Given the prevalence of common US misperceptions towards China, however, such limitations gain significance. Careful attention was paid to corroborate the commonality and intent of the cited Chinese texts.

Finally, the broad topic of Chinese influence and accorded US response was geographically limited to Guam and the CNMI. This deliberate scoping should not lead the reader to believe such US-China competition is an aberration isolated to this geographic region. As Bergerson demonstrated, and as was discovered while researching this topic, one could conduct similar geographically based studies for any such US-Chinese seams. Notably, the expansion of Chinese influence into Micronesia, most significantly the island of Palau, parallels that of Guam and the CNMI. Additionally, and more threatening to long held US security positions, China has demonstrated both its willingness and ability to influence decision making in the Philippines and Australia.

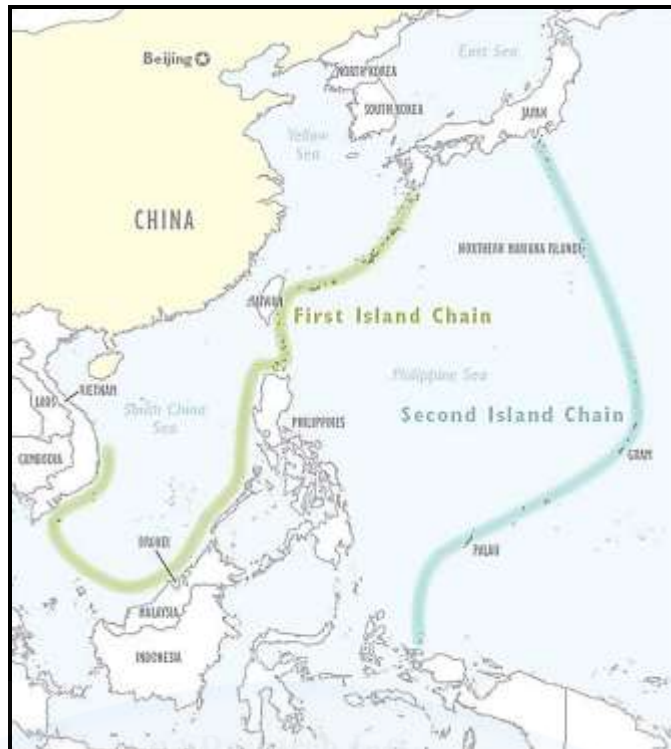


Figure 1 – The Island Chains

Source: Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2012*, (Washington, DC: US Department of Defense, 2012), 40.

Argument Introduction

As most readers lack familiarity regarding Guam and the CNMI, Chapter 2 will address these deficiencies by providing a detailed geographic background; a macro-level view to life in Guam and the CNMI writ large. Yet, such a limited description would marginalize the peoples and economies of these islands. Accordingly, Chapter 2 will also discuss the unique histories and socioeconomic geographies of both Guam and the CNMI and how their historical divergence still manifests itself today. This chapter will conclude by highlighting the unique interests both the US and China possess in these islands.

Chapter 3 will describe the current US and Chinese military and political status quo in Guam and the CNMI. More importantly, this

chapter will identify how the need for influence of these islands nests within each nation's greater strategic objectives.

Chapter 4 will address US and Chinese competition for influence in Guam and the CNMI. While both the US Department of Defense and senior policy makers tend to focus on China's expanding military capabilities, its non-military, particularly economic influence in the second island chain has gone largely unnoticed. This chapter will also describe a fundamental deficit in US nonimmigrant worker and tourism policy which greatly aid an aggressive Chinese intelligence collection posture.

Finally, Chapter 5 will provide implications and draw conclusions from the information presented in the previous chapters. China has complemented its increased capability to strike Guam and the CNMI with an aggressive information collection campaign. Following the US victory in Desert Storm, China promoted asymmetry as its fundamental strategy. As a result, China possesses can marginalize and potentially offset US investment in Guam and the CNMI. In a worst case scenario, the US has spent billions of dollars in national resources in return for minimal improvements to its combat capability.

To prevent further marginalization, the US cannot merely rely solely upon military solutions. Rather, to best influence the competition in the western Pacific, the US must coordinate and utilize all elements of its national power. Although policy makers, military officials, and popular news outlets have derided the oft-used term "whole of government," such an approach is warranted here. A purely military solution invites greater US buildup, which generates a more substantial target to both Chinese long-range missiles and intelligence collection. Given the limited Guam and CNMI economies, any solution must also be an economic solution. Such a comprehensive, holistic effort would both close exploitative loopholes while dissuading further Chinese incursion.

Chapter 2

Political Geography

This chapter will first provide the reader a brief geographical survey of Guam and the CNMI. One should not consider the term geography here as simply describing these islands' physical position. The rich and diverse histories of the Guam and the CNMI peoples complement such an objective value. While these islands lie proximate physically, each possesses a unique history which has propagated unique socioeconomic geographies.

Second, this chapter will also describe the unique importance US and China place in these islands. As the US looks to Guam and the CNMI as central to its pivot to the Pacific, China simultaneously seeks to expand its regional influence out to the second island chain. This intersection of interest extends beyond physical geography. While the US has most significantly impacted the social geographies of Guam and the CNMI, these impacts have not been homogeneous in nature. Rather, as a testament to unique histories, US policies have differentiated Guam from the CNMI. In a benign security environment, one could consider these differences as mere footnotes. Given an increasingly competitive environment, however, one could view such differences as either a liability or an opportunity. The lack of US urgency in recognizing these liabilities has been amplified by Chinese eagerness to exploit US policy gaps.

Guam

The island of Guam, depicted in Figure 2, lies at the southern end of the Mariana island chain, roughly equidistant from the equator and the Tropic of Cancer. The largest of the Mariana chain islands, Guam is approximately three times the geographic area of Washington DC.



Figure 2 - Guam

Source – University of Texas Libraries, “Guam,” Perry-Castaneda Library Map Collection, 1991,
http://www.lib.utexas.edu/maps/australia/guam_pol91.jpg.

Guam epitomizes the Pacific’s tyranny of distance. The island sits 3800 miles west of Hawaii, and approximately 6,200 miles from the California coast. Additionally, the closest point from Guam to the Chinese coast, the city of Quanzhou, lies a further 1900 miles westward on a west by northwest heading. This distance equates to approximately a four hour flight to the Chinese coast assuming a 0.8 Mach (8 nautical miles per minute) cruise speed. Table 1 below estimates shipborne transit times and further illustrates the vastness of the Pacific Ocean.

Table 1 – Illustrative Sailing Distances and Time

To Manila, from:	Statute miles	Days at 20 knots	Days at 30 knots
Guam	1,724	3.1	2.1
Honolulu	5,482	9.9	6.6
Seattle	6,853	12.4	8.3
San Diego	7,595	13.8	9.2

Notes: Sailing distances in statute miles were calculated using nautical miles reported by "Distances Between Ports," 2001, published by the National Imagery and Mapping Agency. Also, 1 nautical mile equals 1.15 statute miles, and 1 knot equals 1.15 mph.

Source – Guam: U.S. Defense Deployments, 26 November 2014, Congressional Research Service

As depicted in Figure 3, Guam is home to two large US military complexes. Andersen Air Force Base rests at the island's northern end



Figure 3 – Guam Military Facilities

Source –Andrew S. Erickson and Justin Mikolay, “A Place and a Base,” in Reposturing the Force, ed. Carnes Lord (Newport, RI: Naval War College Press, February 2006), 67.

and maintains a permanent intelligence, surveillance, and reconnaissance (ISR) capability while serving as the temporary home to

rotational bomber and fighter units.¹ Guam's sole deep water harbor lies on its western shore near Apra and is controlled by Naval Base Guam stationed further up the western shore in the capitol city of Agana. Naval Base Guam is also the homeport of three US nuclear powered fast attack submarines and serves as a central logistics hub for transiting naval forces.² Although the US military utilizes a significant portion of Guam territory, its personnel represent a small percentage of Guam's overall population. Agana is also home to the Guam International Airport. As of 2014, approximately 6,000 US military resided in Guam amongst its 160,000 person population, making up roughly 3.7% of the total.³

The US has maintained Guam as a territory since its acquisition following its defeat of Spain in the Spanish-American War. A singular, notable exception to US sovereignty, Guam's population resiliently endured a brutal, 30-month Japanese occupation during World War II. In turn, Guam's people grandly celebrate Liberation Day annually while its patriotic populace produces, per capita, the most military recruits of any American jurisdiction.⁴ One could summarize the US-Guam relationship, and largely that of the US and the CNMI, as deeply symbiotic and mutually beneficial. As a result of the relative continuity of US influence and unlike its Northern Mariana neighbors, Guam's population preserved its majority native Chamorro ethnicity, roughly 35%; leading a diverse mix of Filipino, Pacific Islander, Asian and other ethnicities.⁵

¹ Shirley A. Kan, *Guam: U.S. Defense Deployments* (Washington, DC: Congressional Research Service, 2014), 3.

² Andrew S. Erickson and Justin D. Mikolay, "Guam and American Security in the Pacific," in *Rebalancing US Forces*, ed. Carnes Lord and Andrew S. Erickson (Annapolis, MD: Naval Institute Press, 2014), 18.

³ Kan, 1.

⁴ James Brooke, "On Farthest U.S. Shores, Iraq Is a Way to a Dream," *New York Times*, 31 July 2005, A13.

⁵ The World Factbook, "Guam," *Central Intelligence Agency*, 12 January 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/gq.html>

Guam's economy, however, has not echoed its population diversity relying heavily upon tourism and Department of Defense (DoD) spending. Interestingly, the most tourism growth stemmed from Chinese visitors, with a 46% jump from 2014 to 2015, approximately 24,000 visitors in total.⁶ Additionally, a 76% hotel occupancy rate in 2016 indicates maneuvering space for a more active Guam tourist advertising policy.⁷ In addition to a tourism boom, Guam has also benefitted significantly from DoD infrastructure improvement projects. The US has spent over \$2B funding construction contracts, including \$240M over the last six years.⁸ Given the prominence of the pivot to the Pacific, Guam's strategic importance will continue to grow. The same can be said of Guam's northern neighbors.

The Northern Mariana Islands

Although Guam is the largest of the Mariana Islands, it is but a single island at the southern end of a diverse island chain. Consisting of 14 islands, this crescent shaped archipelago illustrated in Figure 4 extends roughly 1,500 miles north and west of Guam terminating near the Japanese isles. In addition to Guam, only three other Mariana Islands possess a fixed population. These islands, Rota, Tinian, and Saipan, warrant further discussion. Rota lies 40 miles northeast of Guam and its 2,400 member population maintains an international airport. The sleepy island of Tinian and its 3,000 residents rests 100 miles further north. Approximately two-thirds of Tinian soil is leased to the US military, with further expansion planned to include a live fire training range.⁹ Tinian's international airport has recently garnered DoD spotlight having been named Pacific Air Forces' preferred alternative for

⁶ Gary Hiles, *2017 Economic Outlook*, (Agana, GU: Government of Guam, Department of Labor, 2017), 14.

⁷ Hiles, *2017 Economic Outlook*, 14.

⁸ Hiles, *2017 Economic Outlook*, 13.

⁹ Maria Ruane, *Economic Forecast, Guam CNMI Edition 2015*, (Honolulu, HI: First Hawaiian National Bank, 2015), 8.

divert and exercise activities.¹⁰ Saipan, 5 miles northeast of Tinian, is the most populated Mariana Island with 48,000 inhabitants. Saipan is also home to the Mariana capitol and an international airport. Additionally, the US DoD has selected an uninhabited Mariana island, Pagan, located roughly 200 miles north of Saipan, as a potential site for joint military training and live fire ranges.¹¹ Pagan's geography is unique in that it consists of two volcanic islands connected by a narrow isthmus.



Figure 4 – The Northern Mariana Islands

Source – University of Texas Libraries, “Guam,” Perry-Castaneda Library Map Collection, 1991, http://www.lib.utexas.edu/maps/islands_oceans_poles/northernmarianaislands.jpg.

¹⁰ Department of Defense News Release, “Tinian Selected as Preferred Alternative for the PACAF Divert Activities and Exercises Initiative,” *US Department of Defense*, NR-045-16, 10 February 2016, <https://www.defense.gov/News/News-Releases/News-Release-View/Article/652928/tinian-selected-as-preferred-alternative-for-the-pacaf-divert-activities-and-ex>.

¹¹ US Pacific Command, *Draft Commonwealth of the Northern Mariana Islands Joint Military Training Environmental Impact Statement / Overseas Environmental Impact Statement*, ES-10.

Despite similarities in geography, Northern Marianas history differs greatly from Guam. Spain retained these islands following the Spanish-American War, yet, thanks to systemic economic troubles, sold them outright to the German empire at the same time the US acquired Guam.¹² The retreat of Spain from the Pacific following its war with America divided its formerly held territories and formalized a cleavage between Guam and the remainder of the Marianas. Shortly after the outbreak of World War I, Japan, as part of the Allied offensive against Germany, took possession of the Northern Marianas; the Treaty of Versailles later formalized Japan's geographical gain.¹³ Japanese Imperial administration of these islands continued until US invasion and occupation during World War II. Today, one can find vestiges of Asian influence throughout the Northern Mariana Islands. Persons of Asian descent make up over half of the Marianas population; double the percentage, although a smaller total overall number, of that found on Guam.¹⁴

Following the war, the Mariana Islands as well as the Marshall and Caroline archipelagos were governed by the US, and ultimately the United Nations Security Council as a Trust Territory of the Pacific.¹⁵ Buoyed by Cold War US financial support, in 1976 the Northern Marianas relinquished its Trust Territory status formally establishing a covenant with the US as the Commonwealth of the Northern Mariana Islands.¹⁶ As a result, much like Guam, CNMI has benefitted from

¹² "The Northern Mariana Islands," *Encyclopedia Britannica*, 24 May 2016, <https://www.britannica.com/place/Northern-Mariana-Islands>.

¹³ "The Northern Mariana Islands," *Encyclopedia Britannica*.

¹⁴ The World Factbook, "Northern Mariana Islands," Central Intelligence Agency, 12 January 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/gq.html>.

¹⁵ Allen P. Stayman, *US Territorial Policy* (Honolulu, HI: East-West Center, 2009), 8.

¹⁶ *Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America*, Public Law 94-241 (24 March, 1976), United States Statutes at Large 90 (1976): 263.

favorable US economic policies such as freedom from Federal taxes, and minimum wage protection.¹⁷

The CNMI's limited economy is also similar to Guam's. Following the much publicized crackdown of exploitative US clothing manufacturing, the CNMI has turned to tourism to support its local economy.¹⁸ Sustained tourism growth has been met with comparable expansion in local infrastructure. For example, CNMI hotel occupancy rates rose from 82% in 2014 to 87% in 2015.¹⁹ As result, foreign real estate development firms have sought to meet this increasing demand. Perhaps most interestingly, CNMI continues to receive its greatest number of tourists from China. Of the roughly 460,000 visitors to CNMI in 2014, 170,000 or 37% hailed from China. This percentage increased slightly in 2015 to 38% with an overall increase to roughly 187,000 Chinese visitors.²⁰ Additionally, while the CNMI Visitor's Authority has not released its September through December 2016 data, even assuming zero growth from calendar year 2015, total Chinese CNMI visitor figures for calendar year 2016 most likely eclipsed 200,000; or roughly 40% of all CNMI visitors.²¹

Why are Guam and the CNMI Important to the US?

Guam and its northern neighbors are the furthest west US territories. Although seemingly oversimplified, one should view these islands as natural extensions of US borders. Even lacking the overwhelming support of the local inhabitants, during time of crisis, the US can place as many of its DoD assets on these islands as it desires. This is not to suggest these islands can organically support the entirety of the US military, but rather to imply that, in a vast ocean, these islands

¹⁷ Stayman, 15-16.

¹⁸ Stayman, 19.

¹⁹ Ruane, 7.

²⁰ Mark Rabauliman, *Economic Indicators* (Saipan, CNMI: Department of Commerce, 2016), 6.

²¹ *Visitor Arrival Statistics* (Saipan, CNMI: Marianas Visitors Authority, 2016).

serve as a natural logistical jumping off point. Seen from an access perspective, Guam and the CNMI are no different than Hawaii, leading the US to depend upon access to these islands as it would its continental homeland. Figure 5 further depicts the importance of Guam and the CNMI's location to access the western Pacific. These islands are “known” knowns in the “right” spot, and, more importantly, obviate the need for bilateral basing agreements. The US can project power unilaterally to these islands to achieve its greater security objectives. Certainly, the US continues to benefit from access agreements, with Japan and the South Korea being notable Pacific-nation examples. These access agreements have been frequently subjected to wavering host nation political support, thereby generating a degree of US power projection uncertainty.



Figure 5 – Guam Distance Map

Source –Andrew S. Erickson and Justin Mikolay, “A Place and a Base,” in *Reposturing the Force*, ed. Carnes Lord (Newport, RI: Naval War College Press, February 2006), 67.

The US bomber basing experience during Vietnam is illustrative and highlights the significance of Guam's territorial benefit. Although faced with lengthy sortie durations, the US chose to base its bombers in Guam by default. Attempts to base B-52 nuclear-capable bombers in Japan were met with stiff anti-war protests and strained already tenuous US-Japanese relations.²² The US faced similar difficulties negotiating with the Filipino government; ultimately realizing bomber basing was politically unfeasible for the host nation.²³ Absent its preferred options, the US then conducted secret negotiations with Thailand, eventually securing basing rights and commencing bombing operations by mid-1967.²⁴ Difficulty in securing operating fields nearer the battlespace certainly made US bombing operations less efficient. Bomber sorties took significantly more time, placing significant stress on airframes, crews and maintenance personnel.²⁵

Additionally, each potential host nation faced minimal enemy threat. Neither the North Vietnamese nor the Viet Cong threatened any portion of Japan, the Philippines, or Thailand. Lacking sufficient incentive from the US and absent an existential threat, domestic Japanese and Filipino self-interest outweighed the allowance of US bomber basing, decreasing US bomber efficiency. Put another way, even in a relatively benign security environment, the US obtained basing access in a host nation closer to the battlespace only with significant difficulty and at the expense of precious time.

As a more recent example, for the duration of the Gulf War, B-52 bombers sortied out of distant Diego Garcia.²⁶ No nation, Arab or otherwise, was willing to play host to the preeminent symbol of US aerial

²² Stacie L. Pettyjohn and Jeniffer Kavanagh, *Access Granted*, RAND Report RR1339 (Santa Monica, CA: RAND, 2016), 126.

²³ Pettyjohn and Kavanagh, 127.

²⁴ Pettyjohn and Kavanagh, 129.

²⁵ Pettyjohn and Kavanagh, 127.

²⁶ Thomas A. Keaney and Eliot A. Cohen, *Gulf War Air Power Survey Summary Report* (Washington, DC: Office of the Secretary of the Air Force, 1993), 164.

bombardment. Similarly, during Operation Deliberate Force in 1995, the Italian government denied basing rights for F-117 Nighthawk stealth fighters restricting their use in the Balkans.²⁷ Given the propensity of US military planners to reduce rather than expand difficulties, Guam and the CNMI's "known" knowns, even with their accompanying difficulties such as extended sortie durations, become all the more attractive.

Why are Guam and the CNMI important to China?

Like the rest of the world, China observed US military performance in Desert Storm with rapt attentiveness. In analyzing America's crushing success, Chinese military leaders went as far as to recognize the 42-day conflict as having changed war itself.²⁸ For China, this certainly was the case. Recognizing it simply could not stand toe-to-toe against US military power and expect to succeed, Chinese military writings, most notably that of Lu Linzhi and *Unrestricted Warfare* authored by Qiao Liang and Wang Xiangsui, stressed the importance of initiative and the necessity for asymmetry. As devastatingly evidenced by Iraqi delays during Desert Storm, to seize initiative, a force must strike during an enemy's mobilization and build up in theater, thereby negating its overall combat power.²⁹ Further, a disadvantaged state should not confine itself to counter an enemy's strengths. Rather, by expanding the definition of conflict, in both its scope and means, a state can asymmetrically seek to counter an attacker's weakness.³⁰ Owing to this unique perspective, China has actively sought to counter US power projection and military strength growing on its periphery.

²⁷ Sargent, Richard L., "Aircraft in Deliberate Force," in *Deliberate Force* ed. Robert C. Owen (Maxwell AFB, AL: Air University Press, 2000), 243-245.

²⁸ Qiao Liang and Wang Xiangsui, *Unrestricted Warfare*, ed. and trans. Foreign Broadcast Information Service (Beijing, China: PLA Literature and Arts Publishing House, February 1999), 4.

²⁹ Lu Linzhi, "Preemptive Strikes Are Crucial in Limited High-Tech Wars," *Jiefangjun bao*, 14 February 1995 in FBIS-CHI 96-025, 6 February 1996, 6.

³⁰ Qiao Liang and Wang Xiangsui, 48.

The Chinese consider the island chains as analogous to WWI trench warfare. The nearest enemy trenches, the Japanese islands, and the Philippines, are the first island chain.³¹ Similarly, the furthest forward Chinese trench remains fixed at its coastline. The trenches cannot move but, Chinese means to reach them has improved dramatically. As depicted in Figure 6, Chinese land based missile capabilities have persistently expanded to significantly threaten these positions.

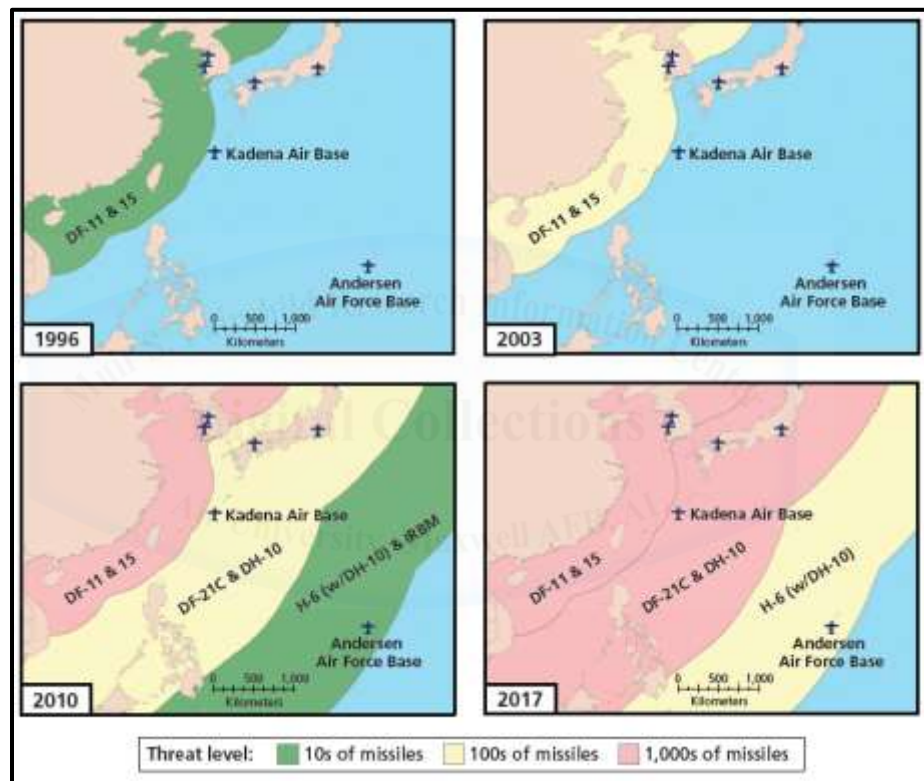


Figure 6–PLA Missile Threats to Bases in the Western Pacific, 1996-2017

Source: *Chinese Attacks on Air Bases in Asia*, RAND Corporation, 2015.

The People’s Liberation Army’s (PLA) approximately 1,200 short-range, first island chain capable and increasingly accurate ballistic missiles have been complemented by advancing naval and air capacities.³² While the PLA Navy (PLAN) has equipped both its surface and subsurface fleet

³¹ See Introduction, Figure 1, Page 3.

³² Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China*, (Washington, DC: Department of Defense, 26 April 2016), 25.

to carry modernized anti-ship and land attack cruise missiles, with plans for a future sea-based ballistic missile capability, the PLA Air Force (PLAAF) has converted its 1950s era fleet of H-6K bombers to employ air launched cruise missiles.³³ Combining mass with sufficient quality, China has adopted a projectile, rather than platform based power projection capability.³⁴ This strategy economically favors Chinese mass production strength while exploiting western platform based means of power projection.³⁵ Hundreds if not thousands of relatively inexpensive Chinese missiles could rain down on low-density, multimillion dollar western assets. This unfortunate circumstance provides further strength to quantity possessing a quality of its own.

Equally important to these impressive standoff capabilities, both the PLAN and PLAAF have invested heavily in integrated air defense systems. Both land-based and ship-based advanced surface-to-air missile (SAM) systems have been fused to an integrated, multispectral sensor network directed by a robust command-and-control architecture.³⁶ While China may not possess the capability to secure the first island chain, it can saturate these islands with kinetic weapons, imposing devastating material costs on their defenders. When this offensive capacity is added to China's layered defenses, one could forecast any first island chain conflict as immeasurably damaging to both sides. With attacks from either side unable to break through except at unbearable cost, the trench analogy remains particularly appropriate.

In addition to naval and air launch platforms, China's ballistic missile reach has slowly extended to the second island chain as well. Labeled by some as the "Guam Killer," or "Guam Express," the PLA began fielding its DF-26 road-mobile intermediate-range ballistic missile

³³ Office of the Secretary of Defense, 26-27, 31.

³⁴ Ian Easton, *China's Military Strategy in the Asia-Pacific*, (Arlington, VA: Project 2049, September 2013), 6.

³⁵ Easton, 9.

³⁶ Easton, 31.

(IRBM) late in 2015.³⁷ A recent RAND study has claimed, assuming a 75-percent missile reliability and an eight-hour repair time, just 50 IRBMs would keep Andersen AFB closed to large aircraft for more than eight days.³⁸ Continuing the trench analogy, one could consider China's ability to hold the second island chain, and Guam in particular, at risk as akin to artillery targeting an enemy marshalling area. Given the US build-up of Guam and the CNMI as presented earlier in this chapter, this analogy is again quite fitting. Militarily speaking then, one could synthesize Chinese interest in Guam and the CNMI as the next logical step in attempting to solve a complex targeting problem. Although baldly reductionist, this view largely satisfies Chinese desire to gain and maintain initiative by attacking enemy weakness.

Conclusion

Seemingly inconspicuous dots on the vast Pacific landscape, Guam and CNMI's similar physical geographies present an illusion of homogeneity. If viewed from afar, one would wrongly assume these islands, although varying in size, were most objectively alike. As this chapter has presented, such a presumption could not be farther from the truth. Guam and the Northern Mariana Islands are unique products of distinct historical occurrences and rich socioeconomic heterogeneity. Both the US and China recognize the physical value of Guam and the CNMI. The US views these islands as a dependable logistics and power projection hub while China perceives them as necessary targets impeding its desires to expand regional influence. As will be discussed in the next chapter, the US has unevenly addressed Guam and the CNMI's socioeconomic geography, a lapse China has been more than willing to exploit.

³⁷ Jordan Wilson, *China's Expanding Ability to Conduct Conventional Missile Strikes on Guam*, (Washington, DC: US-China Economic and Security Review Commission, 10 May 2016), 8.

³⁸ Eric Heginbotham, *The US-China Military Scorecard*, RAND Report RR392, (Santa Monica, CA: RAND, 2015), 64.

Chapter 3

Military / Political Status Quo

While Chapter 2 noted both the US and China value Guam and the CNMI, this chapter will describe how their respective interests have been manifested both militarily and politically. Preceding President Obama's pivot to the Pacific by almost a decade, US military buildup in Guam and later in the CNMI has helped strengthen its security position while reassuring its regional allies.¹ Accordingly, this chapter will focus on how the US benefits militarily from Guam and the CNMI and how it leverages these islands to advance its political objectives in the Pacific region. Contrastingly, China, having observed US success in Desert Storm, largely perceives the US strengthening of the second island chain as an affront to its regional influence expansionism. While its military capability has extended to reach the second island chain, Chinese leaders have largely adopted an asymmetric strategy to influence Guam and the CNMI. The desire for such influence stems directly from its mostly defensive military and political strategy and will also be addressed in this chapter.

US Perspective

In August 2016, Admiral Harry Harris, Commander, US Pacific Command, issued a one page memorandum stressing presence, military readiness, and partnership as central to PACOM's strategic approach to its security environment.² In combination, these three themes illustrate how the US will leverage its military power to achieve its higher policy objectives. They also provide an interesting framework with which to examine how Guam and the CNMI fit into US strategy.

Recognizing Guam and the CNMI's unique geography, the US has developed these islands as the bulwark of its forward presence. The US

¹ Shirley A. Kan, *Guam: U.S. Defense Deployments* (Washington, DC: Congressional Research Service, 2014), i.

² Admiral Harry Harris, Commander, US Pacific Command, memorandum, subject: US PACOM Guidance, 12 August, 2016.

military, the Air Force and the Navy in particular, has championed the defense buildup of these strategically located islands. What started as a trickle at the dawn of the twenty first century has evolved into a multiyear, multibillion dollar economic investment.

As mentioned briefly in the previous chapter, Guam is home to both Andersen AFB and Apra Naval Station. Despite their relatively small permanent population, both these installations house a diverse array of military assets, each founded upon the principles of power projection. Although by no means a comprehensive list, a few assets warrant further discussion. In addition to housing a squadron of RQ-4 Global Hawk unmanned reconnaissance drones, Andersen AFB is also home to the 36th Contingency Response Group. This rapidly deployable, multi-disciplined 120-member unit can be tailored to meet a vast spectrum of contingencies ranging from austere airfield operations to disaster response.³ In 2013, contingents from this organization provided humanitarian assistance and disaster relief to the Philippines in the wake of Typhoon Haiyan.⁴ Additionally, Andersen is also home to a 66-million gallon aviation fuel storage depot (the Air Force's largest) as well as a 100 thousand bomb munitions storage capacity (PACOM's largest).⁵

The US Navy parallels its Air Force brethren's organic power projection focus. In addition to operating and maintaining the three nuclear powered attack submarines of Submarine Squadron 15, Naval Base Guam is also home to a Military Sealift Command Ship support unit. Most significantly, this unit provides regional support to PACOM's

³ "36th Contingency Response Group," *Andersen Air Force Base*, 11 September 2009, <http://www.andersen.af.mil/AboutUs/FactSheets/Display/tabid/2035/Article/414559/36th-contingency-response-group.aspx>.

⁴ Sarah E. Bergstein, "36th CRG Supports Operation Damayan," *Stars and Stripes Guam*, 22 November 2013, <http://guam.stripes.com/base-info/36th-crg-supports-operation-damayan#sthash.2YMZBNgY.dpbs>

⁵ Andrew S. Erickson and Justin Mikolay, "A Place and a Base," in *Reposturing the Force*, ed. Carnes Lord (Newport, RI: Naval War College Press, February 2006), 67.

diverse fleet of prepositioned ships.⁶ Comprised of variously sized and capable container and cargo ships, these national assets provide each US military service a rapidly deployable and unmatched materiel advantage. For example, supplies from Marine Prepositioned Stock Squadrons can support a Marine Expeditionary Brigade (approximately 16,000 to 18,000 personnel) for 30 days.⁷ These prepositioned stocks are essential to help reduce the Pacific theater's geographic challenges.

While not denigrating the self-contained power projection capability of these military installations, their more significant role lies in sustaining temporary units. For example, in the last decade, Andersen AFB has hosted, albeit rotationally, the entirety of the US bomber arsenal (B-52, B-2, and B-1 bomber squadrons), a large contingent of the US fighter fleet (F-16, F-15C, F-15E, and F-22 squadrons), and a force extending critical enabler (K-135 refueling aircraft).⁸ While the vast proportion of US Air Force airframes have rotated to Guam in a temporary fashion, US Navy capitol ship visits have been even briefer but no less significant. Free of entangling superstructures, Apra's deep water harbor allows US aircraft carriers to dock there with relative ease.⁹ Despite being able to facilitate ship resupply and to conduct minor repairs, Navy Base Guam lacks the necessary infrastructure and personnel to maintain and handle the carrier's nuclear waste.¹⁰ Finally, in recognition of Guam's increasing military footprint, PACOM decision makers took steps to protect it from standoff attack. In 2013, the US Army sent a THAAD (Terminal High Altitude Area Defense) battery, seven

⁶ "Tenant Commands," *Naval Base Guam*, 2017, https://www.cnmc.navy.mil/regions/jrm/installations/navbase_guam/about/tenant_commands.html

⁷ David J. Berteau and Michael J. Green, *US Force Posture Strategy in the Asia Pacific Region* (Washington, DC: Center for Strategic and International Studies, August 2012) 60.

⁸ Kan, 3.

⁹ Andrew S. Erickson and Justin D. Mikolay, "Guam and American Security in the Pacific," in *Rebalancing US Forces*, ed. Carnes Lord and Andrew S. Erickson (Annapolis, MD: Naval Institute Press, 2014), 20.

¹⁰ Erickson and Mikolay, 19.

launchers each armed with eight interceptor missiles, to Guam on a temporary, rotational basis.¹¹ A testament to the importance of Guam's military defense buildup, a THAAD battery was permanently assigned there in 2016.¹²

Increases in permanently assigned personnel and equipment, in addition to perpetual troop rotations, have been accompanied by an even greater US economic investment in Guam and the CNMI. As mentioned, DoD infrastructure projects fuel a significant portion of both Guam's and the CNMI's tourist based economy. Funds are appropriated, or earmarked, by the DoD to be used as payment for agreed upon contracts completed at a later date. One could then think of these appropriations, such as those found in Table 2, as promises of financial commitment. Although the official contracting process is beyond the scope of this paper, any variation in appropriations should be accompanied by corresponding variances in the number of contracts assigned, albeit with some time delay.

Table 2 – DoD Historical Investment in Guam

APPROPRIATIONS (in thousands)							
Fiscal Year (FY):	2010	2011	2012	2013	2014	2015	2016
U.S. DOD Military Construction	737,654	176,030	83,600	101,904	494,607	133,680	272,268
DOD Civilian Guam Infrastructure					119,400		20,000
Japan - Fiscal Year (JFY)	<u>500,000</u>	<u>582,000</u>	<u>93,000</u>				
Combined:	1,237,654	758,030	176,600	101,904	614,007	133,680	292,268

Source – Economic Outlook for Guam FY 2017

¹¹ Karen DeYoung, "US to Deploy Anti-Missile System to Guam," *Washington Post*, 3 April, 2013, https://www.washingtonpost.com/world/national-security/us-to-deploy-anti-missile-system-to-guam/2013/04/03/b939ecfc-9c89-11e2-a941-a19bce7af755_story.html?utm_term=.efdb3988cf04#comments.

¹² "Bordallo Attends Reflagging Ceremony for THAAD's Permanent Basing on Guam." *Office of Madeleine Bordallo*, 31 October 2016, <https://bordallo.house.gov/media-center/press-releases/bordallo-attends-reflagging-ceremony-thaad-s-permanent-basing-guam>.

Additionally, Guam's infrastructure improvement projects have varied greatly in scope. For example, Andersen AFB's military construction awards for Fiscal Year 2015 ranged from road and sewer system recapitalization to the construction of a low observable, composite material repair shop and improvements to Northwest Field's live-fire training range complex.¹³ Increasingly, military officials have recognized the need to protect these assets as well. As a prominent example, Fiscal Year 2017 appropriated over \$62M to harden Guam's petroleum, oil, and lubricant infrastructure.¹⁴

Perhaps most interestingly (see Chart 1), the Japanese government also maintains a stake in Guam's infrastructure development. In 2006, the US and Japan agreed to move some 8,000 Marines and their estimated 9,000 dependents from Japan to Guam by 2014 at an expense of \$10-18B.¹⁵ After several years of political wrangling, in 2012, the Department of Defense reduced the number of incoming Marines to 5,000.¹⁶ The \$1B+ in Japanese funds appropriated from 2010 to 2013 have been released within the past year, signaling an expected spike in construction.¹⁷

Guam has certainly led US second island chain development endeavors. Yet as this island's military capacity has increased, it has also become a more lucrative target. As a result, the US has included the CNMI in its military expansion plans. Two projects warrant particular mention. In February 2016, following almost four years of continuous environmental impact surveys, the US Air Force named Tinian as its preferred alternative for Pacific Air Forces (PACAF) divert

¹³ Gary Hiles, *2017 Economic Outlook* (Agana, GU: Government of Guam, Department of Labor, 2017), 14.

¹⁴ *Construction Programs, Department of Defense Budget Fiscal Year 2017* (Washington, DC: Office of the Under Secretary of Defense (Comptroller), February 2016) State-77.

¹⁵ Cheryl Pellerin, "Guam is Strategic Hub to Asia-Pacific Rebalance," *PACOM News*, 19 August 2014, <http://www.pacom.mil/Media/News/Article/564502/guam-is-strategic-hub-to-asia-pacific-rebalance/>

¹⁶ Pellerin.

¹⁷ Hiles, *2017 Economic Outlook*, 14.

activities and exercises initiative.¹⁸ Signed in December 2016, the environmental impact survey record of decision detailed planned improvements to Tinian International Airport. These improvements include construction of parking aprons, cargo loading pads, a maintenance facility, and a nine-million gallon fuel storage and delivery system.¹⁹ Fortunately, DoD funding allocation did not wait for the formal official announcement or the record of decision. The Fiscal Year 2014 DoD budget set aside more than \$29M for cargo pad, fuel storage, and maintenance facility construction.²⁰ US Air Force Fiscal Year 2014 Military Construction documents indicated future projects, identified as planned to occur within the next four years, included parking apron and fuel delivery system construction projects estimated at \$86M.²¹ Because the preferred site had not yet been finalized, budgeteers allocated these funds with a “Saipan” label. Due largely to adequate land available for runway expansion, PACAF ultimately selected Tinian over Saipan.²²

In addition to the expected Marine relocation to Guam, the DoD also considered Tinian and another, smaller and uninhabited Mariana island, Pagan, as sites for ground training expansion. Although the revised environmental impact survey and subsequent record of decision are still pending, funding has already been appropriated. The Fiscal Year 2017 military budget set aside \$900M, including \$300M from the government of Japan, for improvements to Tinian and Pagan’s

¹⁸ “Tinian selected as preferred alternative for PACAF Divert Activities, Exercises Initiative,” *Pacific Air Forces*, 10 February 2016, <http://www.pacaf.af.mil/News/ArticleDisplay/tabid/377/Article/654262/tinian-selected-as-preferred-alternative-for-pacaf-divert-activities-exercises.aspx>.

¹⁹ Richard K. Hartley, *Record of Decision – Divert Activities and Exercises, Commonwealth of the Northern Mariana Islands* (Washington, DC: United States Air Force, 7 December 2016), 1.

²⁰ *Construction Programs, Department of Defense Budget Fiscal Year 2016*, (Washington, DC: Office of the Under Secretary of Defense (Comptroller), February 2015), State-25.

²¹ *Military Construction Program, Fiscal Year 2014 Budget Estimates* (Washington, DC: Department of the Air Force, April 2013), 131.

²² Headquarters Pacific Air Forces, *Final Environmental Impact Statement for Divert Activities and Exercises, Commonwealth of the Northern Mariana Islands* (Joint Base Pearl Harbor-Hickam, HI: Headquarters Pacific Air Forces, 2016), ES-10.

infrastructure.²³ Designed to minimize impacts to both local daily life and delicate island habitats, these improvements “include a series of live fire Range Training Areas, training courses, maneuver areas, and associated support facilities located in proximity to each other.”²⁴ While ground training on Tinian would be largely limited to single units, Pagan’s geography affords multiple unit combined training.²⁵ Given the leased military land would encompass the Tinian’s northern half, concerns of its inhabitants, namely noise and indigenous habitat preservation, have been well founded and the delays, though considerable, justified.²⁶ In addition to avoiding volcano at the island’s southern end, establishment of Pagan’s training areas would attempt to minimize the impact to local species wherever possible. This ecological mitigation goes to such environmental lengths as the relocation of plant and trees, the flagging of sea turtle nesting areas, and the removal of non-indigenous feral pigs to strengthen indigenous fruit bat, chicken-like megapode, and tree snail species.²⁷

Expansion of Guam, Tinian, and Pagan training capacities forges the means for the US and its regional allies to achieve Admiral Harris’ two remaining regional objectives: military readiness and partner building. To be a viable long-term deterrent, the combat capability of any force stationed or deployed to the second island chain cannot be

²³ Peter Potochney, Statement to Senate, Armed Services Committee, Subcommittee on Readiness and Management Support, *FY 2017 Department of Defense Budget Request and Future Years Defense Program for Energy, Installations, and Environment*, 12 April 2016, 19.

²⁴ Potochney, 19.

²⁵ US Pacific Command, *Draft Commonwealth of the Northern Mariana Islands Joint Military Training Environmental Impact Statement / Overseas Environmental Impact Statement* (Camp Smith, HI: US Pacific Command, 2015), ES-40.

²⁶ US Pacific Command, “Draft Environmental Impact Statement / Overseas Environmental Impact Statement Open House Public Meeting Booklet,” *US Pacific Command*, April 2015, <http://cnmimarin.es.s3.amazonaws.com/static/Meetings/CJMT%20Public%20Meeting%20Booklet%20%28April%202015%29.pdf>.

²⁷ US Pacific Command, *Draft Commonwealth of the Northern Mariana Islands Joint Military Training Environmental Impact Statement / Overseas Environmental Impact Statement*, ES-71.

allowed to lay fallow and atrophy. While the numerous training infrastructure improvements described may seem to cut new earth, one should view such developments as supplements and enhancements of programs and capabilities already in place. Planned Tinian and Pagan live-fire range complex enhancements parallel those already underway on Andersen's Northwest Field.²⁸ Similarly, proponents of the Tinian International Airport expansion, for example, herald it as being able to support "current, emerging, and future USAF exercises while ensuring the capability to meet mission requirements."²⁹ Certainly, Joint Force exercises such as the biennial Valiant Shield would benefit from improved Tinian facilities. Featuring 180 aircraft and 18,000 personnel, Valiant Shield 2016 promoted the development of joint air, maritime, and amphibious interoperability.³⁰ Expanded capacity, both at Tinian's airfield and live firing ranges would give exercise planners the means to achieve more complex, realistic training scenarios.

Diversification amongst the CNMI also serves a fundamental military need. Improvements to Guam alone would be akin to putting all of one's eggs in the proverbial basket. Dispersal of assets, and therefore capabilities, serves as a measure of passive air and missile defense. In effect, an increased capacity will afford an equal if not greater increase in military readiness capability.

One cannot limit, however, enhancements to Guam and CNMI infrastructure to solely benefitting US military readiness. That is, the US and its Pacific allies also stand to benefit from these improvements.

²⁸ Joint Guam Program Office, "Department of the Navy Releases Record of Decision for Relocation of Marines to Guam," *Joint Guam Program Office*, Press Release 15-002, 29 August 2015, http://guammarines.s3.amazonaws.com/static/JGPO_ROD_News%20Release%202015-002_FINAL_20150828.pdf.

²⁹ Hartley, 3.

³⁰ Valiant Shield Joint Information Bureau, "Joint Exercise Valiant Shield Concludes in Pacific," *US Pacific Command*, 23 September 2016, <http://www.pacom.mil/Media/News/News-Article-View/Article/954818/joint-exercise-valiant-shield-concludes-in-pacific>.

Given the military nature of US developments, it stands to reason the nature of these interactions would be founded upon multilateral military exercises. Cope North, an annual air exercise at Andersen AFB, serves as one such prominent example. Last completed in February 2016, Cope North featured over 1,800 airmen and sailors, and more than 100 aircraft from five partner nations (Japan, Australia, the Philippines, Korea, and New Zealand).³¹ In addition to large force air-to-air training scenarios similar to those found at Nellis AFB's Red Flag, Cope North also afforded participants the opportunity to conduct a humanitarian assistance disaster relief exercise.³² Continued improvement of live fire training areas on Guam, Tinian, and Pagan would allow military officials to supplement large scale engagements such as Cope North with smaller, bilateral training opportunities. By including partner nations in its crawl, walk, run methodology, multinational training founds bonds amongst soldiers, sailors, marines, and airmen at the small unit level. These bonds help ensure "military personnel are able to react swiftly and decisively to a variety of potential situations."³³ The military training opportunities found in Guam and the CNMI not only strengthens US relationships with its regional allies, but improves these partner's military capabilities as well.

Without question, Guam and the CNMI help fulfill Admiral Harris' vision of US presence, military readiness, and partnership. Forward basing military personnel at sites in the second island chain telegraphs American resolve to both its friends and enemies alike. That said,

³¹ "US, 5 Partner Nations to Participate in Cope North 2016," *Headquarters Pacific Air Forces*, 7 January 2016, <http://www.pacaf.af.mil/News/ArticleDisplay/tabid/377/Article/641873/us-5-partner-nations-to-participate-in-cope-north-2016.aspx>.

³² "US, 5 Partner Nations to Participate in Cope North 2016," *Headquarters Pacific Air Forces*.

³³ CNMI Joint Military Training EIS/OEIS, "Draft Environmental Impact Statement / Overseas Environmental Impact Statement Open House Public Meeting Booklet," *US Pacific Command*, 2015. <http://cnmimarines.s3.amazonaws.com/static/Meetings/CJMT%20Public%20Meeting%20Booklet%20%28April%202015%29.pdf>.

significant economic and infrastructure development must take place to ensure these forces, however large, remain military capable while in place on Guam or the CNMI. Finally, the promise of these islands should serve as an exemplar for the value the US places upon fostering and enhancing relationships with its regional allies.

Chinese Perspective

To be sure, China has developed the means to hold Guam and the CNMI at military risk because it comports with its larger strategic and national desires. One must first recognize the difficulty in combatting prevalent US cognitive dissonance regarding China. For example, it is difficult for the average American citizen to recognize the relative brevity of US national history. On its face, 250 years seems like a long time. It is far more difficult, therefore, for the average American to fathom the many centuries of Chinese history. Regrettably, and most relevant to the discussion at hand, Chinese history has been punctuated by outsider exploitation, rendering the world's most populous nation with a sense of pervasive paranoia. As the Cold War ended, however, China transformed its rising economic prosperity into military capacity, and a means to assuage its cognitive fears. The Chinese ruling elite determined they, not outsiders, would secure China's rightful place in the world.³⁴

In a 1999 article, Dr. David Finkelstein, then a Chinese security affairs specialist at the Center for Naval Analyses Corporation, reduced China's national security objectives to three items: modernity, stability, and sovereignty.³⁵ These three items provide a useful framework from which to explore how Guam and the CNMI fit into greater Chinese strategy. As stated, China has continued to leverage its vast economic prosperity to advance its military capability. Department of Defense analysts estimated China's 2015 military-related spending as exceeding

³⁴ Robert Haddick, *Fire on the Water* (Annapolis MD: Naval Institute Press, 2014), 12.

³⁵ David M. Finkelstein, "China's National Military Strategy," in *The People's Liberation Army in the Information Age*, ed. James C. Mulvenon and Richard H. Yang (Santa Monica, CA: RAND, 1999), 103.

\$180B, and, assuming an annual average increase of 7 percent, would surpass \$260B by 2020.³⁶ A cursory comparison to US defense spending causes little alarm from US officials. If, however, one considers the asymmetric design of Chinese weaponry, any spending increases assume increased significance.

US military power may be overwhelmingly effective, but, as it modernizes, China has excelled at being exceedingly efficient. Air superiority provides a striking example of such divergence. Arguably, America's high performance F-22 fighter is the most capable air-to-air platform in the world today. Capped at 187 production aircraft in 2007 by Defense Secretary Gates, the F-22 carries a hefty \$143M price tag.³⁷ If used in an attacking role, F-22s and other low-observable aircraft must navigate China's dense IADS. Conversely, if used in a defensive role, small numbers of F-22s and their protected objectives could be overwhelmed by swarms of attack aircraft and inbound missiles. Whether used in an offensive or defensive role, in the face of Chinese numerical superiority, such low density, high cost assets would succeed only at greatly increased risk.³⁸ Thanks largely to its asymmetric focus, one could rightly assess Chinese development and acquisition methodology as having turned within that of the US, and could ultimately manifest itself as combat superiority.

Given its inwardly focused society, China dutifully balances any advancement towards modernity with internal stability. Just as it is difficult to understand the vast duration of Chinese history, it is perhaps equally difficult to fully comprehend the distinct Chinese governmental system. While hardly a monolithic entity, the most significant Chinese Communist Party (CCP) objective, like that of most large organizations, is

³⁶ Office of the Secretary of Defense, 77.

³⁷ "F-22 Raptor," *US Air Force*, 23 September 2015, <http://www.af.mil/AboutUs/FactSheets/Display/tabid/224/Article/104506/f-22-raptor.aspx>.

³⁸ Heginbotham, 130.

to guarantee its continued position of power. Given its repeated exploitation by outside powers, the Boxer Rebellion and Japanese occupation during World War II as notable examples, China's emphasis upon domestic stability seems justified.

CCP leaders must carefully consider the second and third order effects of policy decisions before implementing any reforms. This is certainly the case for China's military. Recognizing western military dominance, China has adopted asymmetric counters. Certainly, the centralized control and centralized execution philosophy adopted from Soviet military doctrine coincides with CCP principles. Yet, in modernizing its forces, China has slowly recognized the benefit of information-based western warfighting.³⁹ Despite long held doctrinal mandates, manning modern, digital equipment, a Chinese pilot, or Chinese tank captain may possess more situational awareness than the central controlling authority. How much freedom would the central military or political authority be willing to relinquish? The answer to such a question is beyond the scope of this paper but serves as a powerful reminder of China's unique character. Given Chinese historical societal upheavals, however, the government's desire to prioritize internal security and promote stability is quite understandable.⁴⁰

Finally, and most importantly, China is most concerned with maintaining and demonstrating its sovereignty. Interestingly, China's view of sovereignty differs with that of the West. Derived from monism, and wholly distinct from the Westphalian state, Chinese political thinking denies legitimate international order as resting upon equal sovereignty.⁴¹ According to the Chinese view, the concept of sovereignty

³⁹ Dan Heath, Kristen Gunness, and Cortez Cooper, *The PLA and China's Rejuvenation*, (Santa Monica, CA: RAND, 2016), ix-x.

⁴⁰ Finkelstein, 106.

⁴¹ Stefan Halper, "China: The Three Warfares," Report for Andy Marshall, Director Office of Net Assessment, March 2013, 14.

begins and ends with China; there cannot be an equal.⁴² As such, China possesses a strong mistrust of outside intervention and has armed itself with multitudes of relatively cheap standoff missile delivery systems.

The answer to how it connects its means with its strategic ends to maintain and promote its sovereignty can be found in China's active defense strategy. As outlined in a 2015 Chinese Defense white paper, active defense prescribes a strategic defense while maintain the capability to attack operationally and tactically.⁴³ This strategy blends two Chinese strategic realities. First, it recognizes the inferiority of Chinese offensive capability, particularly the ability to project power over distance. Despite years of effort, China has not yet realized a "blue water" navy. That is, a naval force that rivals the US. The PLAN has been, however, central to improvements in Chinese operational reach. Construction of modern vessels and the development of distant logistical nodes have improved Chinese capacity.⁴⁴ Not to be outdone, the PLAAF also lacks critical enablers necessary for power projection. Though expected tanker buys from Russia will improve air to air refueling capacity, currently, the Chinese refueling fleet is limited to a small number of converted H-6K bombers.⁴⁵

Second, and most importantly, active defense serves as a logical military manifestation of the CCP's desire to safeguard its own well-being. Favoring defense rather than offense, Chinese political leadership has insisted upon preservation rather than military expansionism. Paradoxically, to ensure its continued existence, a non-Western nation adopted, knowingly or not, a Western principle (the primary defensive objective is preservation) recognized by the great master Clausewitz so

⁴² Halper, 14.

⁴³ *China's Military Strategy*, (Beijing, China: The State Council Information Office of the People's Republic of China, 2015),6.

⁴⁴ Office of the Secretary of Defense, 68.

⁴⁵ Office of the Secretary of Defense, 31.

many years ago.⁴⁶ Highlighting the importance of operational and tactical level offensive capability, China's active defense policy also complies with another Clausewitz dictum: "the sudden powerful transition to the offensive – the flashing sword of vengeance."⁴⁷ A robust sensor network coupled with a projectile triad of anti-ship, anti-land, anti-air missile forces, enables the Chinese political leadership to effectively insulate its government behind an anti-access, area denial wall. In addition to kinetic defense, Chinese CCP officials have extended their concepts of preservation to include cyber space. Colloquially termed China's Great Firewall, this system has served the dual purpose of both limiting access to outsider influence and manipulation while also restricting Chinese citizenry from the burgeoning information age.⁴⁸ One could rightly assume Chinese leadership holds active defense as both the military and political means to counter US power on Guam and the CNMI.

Despite the prominence given to China's active defense strategy, much like the US, the use of military force is only one such means by which China demonstrates its power. Commonly referred to as the "the three warfares," China has extended its asymmetrical approach to include legal, media, and psychological warfare. As espoused in *Unrestricted Warfare*, China believes war has fundamentally changed to include a country's entire population fighting by any and all means necessary to achieve victory.⁴⁹

Most strikingly, and in contrast to active defense, China has utilized the three warfares concepts in an offensive, albeit slow and incremental, fashion. When backed with its military power, such as

⁴⁶ Carl von Clausewitz, *On War*, ed. and trans. Michael Howard and Peter Paret (Princeton, NJ: Princeton University Press, 1976), 357.

⁴⁷ Clausewitz, 370.

⁴⁸ Murong Xuecun, "Scaling China's Great Firewall," *New York Times*, 17 August 2015, https://www.nytimes.com/2015/08/18/opinion/murong-xuecun-scaling-chinas-great-firewall.html?_r=0.

⁴⁹ Qiao Liang and Wang Xiangsui, 44-50.

island reclamation in the South China Sea, these forms of warfare have been quite useful in achieving Chinese political aims. For example, China attempted to use a domestic ruling to support its claim to islands in the South China Sea and the establishment of an exclusive economic zone along the so-called nine-dash line.⁵⁰ After much regional political haranguing, however, on the basis of the United Nations Convention on the Law of the Sea (UNCLOS), an international tribunal rejected Chinese claims.⁵¹

Representative of its media warfare, in response to this tribunal ruling, China issued a scathing memorandum following stark claims of the ruling's illegitimacy by Chinese political officials.⁵² While hardly a media blitz, such action is representative of China's desire to control the strategic message. In perhaps the most striking example of media warfare, China tightly controlled the release of information following the 2001 EP-3 incident, effectively manipulating popular pre-existing beliefs while avoiding blame and labelling the US as the aggressor.⁵³

Finally, Chinese willingness to use psychological warfare to influence the decisions of others has directly paralleled its increase in military and economic power. Chinese military leaders have long recognized the power of psychology in warfare. Echoing Sun Tzu's dictum, "all warfare is deception," the PLA has persistently incorporated these elements into its operational approach.⁵⁴ In addition to demonstrating expertise in camouflage, decoys, and satellite avoidance techniques, the PLA and its centralized political overseers have stressed the need to conform to a potential enemy's psychological tendencies and

⁵⁰ Halper, 62-63.

⁵¹ Jane Perlez, "Tribunal Rejects Beijing's Claims in South China Sea," *New York Times*, 12 July 2016, <https://www.nytimes.com/2016/07/13/world/asia/south-china-sea-hague-ruling-philippines.html>

⁵² Perlez.

⁵³ Halper, 75-77.

⁵⁴ Sun Tzu, *The Art of War*, ed. and trans. Samuel B. Griffith (New York, NY: Oxford University Press, 1984), 66.

expectations.⁵⁵ Rather than stick out, China, and the PLA in particular, would rather blend in and lull any potential aggressor into a false sense of security.

Chinese political leadership has also used its economic power as a psychological weapon. While it is simple to conflate one's sense of self-importance and view the actions of others as nefarious and directly intended to malign, with regards to international security, nations have tended to assume a pessimistic attitude. That is, where there is smoke, a state assumes another is trying to light it on fire rather than invite it to a cookout. In 2016, a Chinese company secured a ninety-nine year lease of the port of Darwin, Australia. Given its historical significance, and modern geopolitical importance as a US military buildup site in the south Pacific, the lease sparked US concern.⁵⁶ In a fitting display of psychological conformism, Ye Cheng, the winning company's chairman and founder, dismissed these concerns: "You Americans think too much...this is about port-to-port business."⁵⁷ Mr. Ye might as well have said, "No smoke to see here."

China's three warfares holistically complement its active defense military strategy. These diverse means allow Chinese officials to affect an expanded target set. That is, its missile stockpiles alone do not determine the number of Chinese targets. Perhaps more importantly, its autocratic method of rule centralizes decision making while expediting action. That said, the CCP covets its own preservation and largely equate it with that of China itself. Accordingly, it views any foreign military buildup near its periphery with the utmost suspicion. China has even gone so far as to preempt gathering storm clouds, choosing to

⁵⁵ Office of the Secretary of Defense, 74.

⁵⁶ Jane Perlez, "US Casts Wary Eye on Australian Port Leased by Chinese," *New York Times*, 20 March 2016, https://www.nytimes.com/2016/03/21/world/australia/china-darwin-port-landbridge.html?_r=0

⁵⁷ Perlez.

fight rather than risk outside encroachment (Korea-1950, India-1962, USSR-1969, Vietnam-1979).⁵⁸ Both its military and political strategies buttress China's beliefs that US presence in Guam and the CNMI threaten its stability and sovereignty and are therefore considered the next logical targets beyond the first island chain.

Conclusion

This chapter identified the inestimable military and political value both the US and China place upon Guam and the CNMI. US political and military decision makers have identified Guam and the CNMI as essential to achieving any modicum of success during its "Pacific pivot." While the second island chain buildup began with an increased military presence at the turn of the century, infrastructure development has been slow to catch up. Despite this lethargy, increased presence, military readiness, and partnership have largely translated to regional stability, the desired political outcome.

A testament to the power of the ongoing competition in and amongst the second island chain, China, because of its political insecurity, and history of domestic instability, will not simply let the US dictate its "Pivot to the Pacific" on its own terms. Yet China has recognized the direct confrontation of US military superiority as a fool's errand. Rather than challenge US strength, China's active defense has patiently targeted its weaknesses at a considerably cheaper price point. While China's military advancement tends to receive the predominance of western media attention, such capabilities serve a significant but not all-encompassing role in holistic Chinese strategy. China's "Three Warfares" stands as testament to a larger asymmetric philosophy.

⁵⁸ Henry A. Kissinger, "The Future of US-Chinese Relations," *Foreign Affairs*, April 2012, <https://www.foreignaffairs.com/articles/china/2012-03-01/future-us-chinese-relations>.

Chapter 4

Near Future and Current Strategy

As the US seeks to expand and distribute its military capabilities throughout Guam and the CNMI, it risks being undercut by Chinese asymmetry. While China's military prowess garners popular media headlines, scant attention has been paid to its preference for non-military practices, namely intelligence collection. Whereas Chinese military capabilities would likely dissuade or at a minimum increase the cost of any retaliatory US action in the event of conflict, effective Chinese intelligence collection could marginalize the capacity of any US response. As this chapter will point out, this scenario is currently playing out in Guam and the CNMI, and is, regrettably, a direct result of disparate US visa and tourism policies.

US Perspective: Risk of a Rebalance

The US strategic refocus towards the Pacific, and subsequently, Guam and the CNMI, has come with a significant economic price tag. Billions of dollars, over \$2.2B for Guam military construction from 2010 to 2017 alone, have been appropriated for necessary construction costs.¹ Yet the focused approach instituted by military planners to distribute these massive investments risks being undercut by myopic regional US economic policy. To assemble its Guam-CNMI based pivot, the US will be reliant upon Guam and the CNMI's organic construction capability. Guam and the CNMI, however, wholly lack such capability and remain heavily reliant upon foreign workers. To compound difficulties, a lax tourism visa policy unnecessarily exposes US construction efforts to an unintended, broader audience.

Prior to the passage of the Consolidated Natural Resources Act (CNRA) in 2008, the US bifurcated Guam and the CNMI immigration

¹ Gary Hiles, *2018 Economic Outlook* (Agana, GU: Government of Guam, Department of Labor, 2017), 17.

laws; a product of their unique histories. Guam immigration laws adhered to US Federal statute, most recently the Immigration Reform and Control Act of 1986.² As an exception, the Guam Visa Waiver Program (VWP) allowed visitors from designated countries, China excluded, to visit Guam for a period of 15 days without having to obtain a nonimmigrant visitor visa.³ Generally speaking, foreign travel to Guam was more restrictive than the CNMI. Owing to human rights violations rampant in the garment industry, the US sought to regulate the CNMI's immigration policies, significantly undermining its economic foundation.⁴ In effect, CNRA extended US immigration policy to include the CNMI.⁵

Recognizing, however, the CNMI's dependence upon foreign workers, US policy makers intended to phase in CNRA adoption over a five year period via a CNMI-only waiver program and a separate transitional worker visa (CW-1) status.⁶ Instituted in 2011, this program was unable to meet a desired 2014 deadline and was therefore extended to 2019.⁷ While CW-1 visa cap figures fell drastically from 2011 to 2014, cap reduction pace has slowed considerably, including only a reduction from 12,999 visas in 2016 to a 12,998 visa figure in 2017.⁸ As cap figures have fallen, the numbers of CW-1 visas issued have sharply

² "Visa Waiver Program," *US Citizenship and Immigration Services*, 2017, <https://www.uscis.gov/tools/glossary/visa-waiver-program>.

³ "Visa Waiver Program." *US Citizenship and Immigration Services*.

⁴ Malcolm D. McPhee and Dick Conway, *Economic Impact of Federal Laws on the Commonwealth of the Northern Mariana Islands*, (Sequim, WA: Malcolm D. McPhee and Associates, October 2008), 4.

⁵ "Guam-CNMI Visa Waiver Program," *Department of Homeland Security*, 4 October 2016, <https://www.dhs.gov/guam-cnmi-visa-waiver-program>.

⁶ US Government Accounting Office, *Commonwealth of the Northern Mariana Islands - Managing the Potential Economic Impact of Applying US Immigration Law Requires Coordinated Federal Decisions and Additional Data*, GAO-08-791, (Washington, DC: US Government Accounting Office, August 2008), 5.

⁷ "CW-1: CNMI-Only Transitional Worker," *US Citizenship and Immigration Services*, July 2014, <https://www.uscis.gov/working-united-states/temporary-workers/cw-1-cnmi-only-transitional-worker>.

⁸ "The CNMI-Only Transitional Worker Cap," *US Citizenship and Immigration Services*, October 2016, <https://www.uscis.gov/working-united-states/temporary-workers/cw-1-cnmi-only-transitional-worker/cnmi-only-transitional-worker-cw-1-cap>.

increased. In Fiscal Year 2016, 8,093 CW-1 visas were issued, a two and a half fold increase from Fiscal Year 2015's 3,103 number.⁹

As Fiscal Year 2015 data has been the most recently compiled, a breakdown by nationality warrants some investigation. Comparing Fiscal Year 2014 and Fiscal Year 2015 figures, non-immigrant CW-1 visas issued to nationals from South Korea, Bangladesh, and Japan remained stable.¹⁰ For both the Philippines and China however, the number of visas issued nearly doubled, with Filipino dwarfing Chinese issuance in Fiscal Year 2015 at 2,055 to 437 visas.¹¹ The CW-1 visa program has not been, however, a rubber stamp process. In Fiscal Year 2015, of 1,624 CW-1 visa applications, roughly 34% were refused.¹² A national breakdown of CW-1 visa refusals was not available. On the whole, these figures indicate that, with regards to the CNMI, in order to facilitate cheap and rapid infrastructure improvements, US policy makers have been willing to accept the risk associated with foreign, unskilled laborers.

The CNRA has also impacted Guam's workforce. In accordance with US Federal immigration law, the number of US-wide H-2B (temporary non-agricultural workers) visas is capped annually at a pre-

⁹ *Report of the Visa Office 2016, Table XVI(A), Classes of Nonimmigrants Issued Visas* (Washington, DC: US Department of State-Bureau of Consular Affairs, 2017), <https://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2016AnnualReport/FY16AnnualReport-TableXVIA.pdf>.

¹⁰ *FY 2014 Nonimmigrant Visas Issued* (Washington, DC: US Department of State-Bureau of Consular Affairs, 2015), <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVDetailTables/FY14NIVDetailTable.pdf>; *FY 2015 Nonimmigrant Visas Issued* (Washington, DC: US Department of State-Bureau of Consular Affairs, 2016), <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVDetailTables/FY15NIVDetailTable.pdf>.

¹¹ *FY 2015 Nonimmigrant Visas Issued*.

¹² *Worldwide NIV Workload by Visa Category FY 2015* (Washington, DC: US Department of State-Bureau of Consular Affairs, 2016), <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVWorkload/FY2015NIVWorkloadbyVisaCategory.pdf>.

specified number.¹³ The CNRA, however, exempted Guam and the CNMI from the annual H-2B cap number and, in the case of Guam, delegated need determination to its territorial department of labor.¹⁴ At first glance, the H-2B visa exemption seems far more restrictive than the CNMI only CW-1 visa exemption. The Department of Homeland Security restricts the originating country of such prospective workers, adding an additional layer of security to an employer's demonstrated need.¹⁵ One should not consider this eligible country list a hard and fast rule however. Ultimately, the Secretary of Homeland Security, or that office's delegated authority, can determine if it is in the best interest of the US to award the beneficiary such a petition.¹⁶ Chinese nationals are currently ineligible to receive H-2B visas.¹⁷

US interest in Guam has waxed and waned with the tide of political interest. As recently as 2016, US Citizenship and Immigration Services, an office of the Department of Homeland Security, has denied the vast majority of Guam's H-2B visa applications.¹⁸ With the expected military buildup looming and in the spirit of economic self-interest, several Guam business leaders banded together and promptly filed a class action lawsuit against federal labor authorities.¹⁹ All parties have since agreed upon an undisclosed settlement, and the *Economic Outlook*

¹³ "H-2B Temporary Non-Agricultural Workers," *US Citizenship and Immigration Services*, November 2016, <https://www.uscis.gov/working-united-states/temporary-workers/h-2b-temporary-non-agricultural-workers>.

¹⁴ "H-2B Temporary Non-Agricultural Workers," *US Citizenship and Immigration Services*.

¹⁵ "H-2B Temporary Non-Agricultural Workers," *US Citizenship and Immigration Services*.

¹⁶ "H-2B Temporary Non-Agricultural Workers," *US Citizenship and Immigration Services*.

¹⁷ "H-2B Temporary Non-Agricultural Workers," *US Citizenship and Immigration Services*.

¹⁸ Robert Q. Tupaz, "Bordallo Takes Issue with Delayed and Denied H-Visas," *Guam Daily Post*, 5 March 2016, http://www.postguam.com/news/local/bordallo-takes-issue-with-delayed-and-denied-h-visas/article_ec9802bce053-11e5-8471-6f22c3220601.html.

¹⁹ John O'Connor, "Labor Lawsuit Argued as Guam Reaches 'Critical Mass'," *Guam Daily Post*, 18 January 2017, http://www.postguam.com/news/local/labor-lawsuit-argued-as-guam-reaches-critical-mass/article_a50b4e2edc7c-11e6-823b-9761ed5d1f17.html.

for *Guam Fiscal Year 2018* indicates the Guam's H-2B visa shortage will be short lived and ultimately meet growing military construction demand.²⁰ In the case of Guam, much like the CNMI and its CW-1 visas, it seems security concerns have yielded to economic expediency.

In addition to altering Guam and the CNMI's non-immigrant worker programs, the CNRA also altered tourism visas. Formerly the Guam VWP allowed eligible travelers to visit Guam without a visa for up to 15 days.²¹ Updated to include the CNMI, the new Guam-CNMI VWP extended the authorized non-visa tourist period to 45 days.²² Initially, Guam and the CNMI were held to the same tourism standard, meaning only visitors from authorized countries could travel visa-free. Much like the CNMI's non-immigrant worker dependence, policymakers identified the CNMI's tourism market as highly dependent upon travelers from countries not authorized by the Guam-CNMI VWP. In 2009, the Secretary of Homeland Security exercised discretionary authority to extend parole to CNMI visitors from the Russian Federation and the People's Republic of China.²³ As presented in Chapter 2, Chinese residents in particular have taken advantage of the Guam-CNMI VWP to visit the CNMI in record numbers. Parole has not been extended for Russian and Chinese visitors to Guam obliging these persons to obtain US visas. Similar to CNMI visitor data, the visa requirement has not slowed growth in Chinese tourism to Guam.

²⁰ Neil Pang, "Settlement on the Table in H-2B Visa Denials Case," *Guam Daily Post*, 20 January 2017, http://www.postguam.com/news/local/settlement-on-the-table-in-h--b-visa-denials/article_37c5d9a6-de1b-11e6b68c-ab9d9dbf317c.html; Hiles, 2018 *Economic Outlook*, 14.

²¹ "Changes for the Commonwealth of the Norther Mariana Islands," *Department of Homeland Security*, 13 April 2016, <https://www.dhs.gov/commonwealth-northern-mariana-islands-transition-us-immigration-law>.

²² "Changes for the Commonwealth of the Norther Mariana Islands," *Department of Homeland Security*.

²³ "Guam-CNMI Visa Waiver Program," *Department of Homeland Security*, 14 October 2016, <https://www.dhs.gov/guam-cnmi-visa-waiver-program>.

Chinese Perspective: Opportunity of a Rebalance

While Chinese kinetic capability has evolved to include the ability to target the second island chain, US intelligence estimates question Chinese long range missile accuracy.²⁴ This would most likely force China to allocate multiple missiles to individual targets, thereby limiting the overall number of possible targets. Despite the media attention devoted to Chinese military capabilities and their potential effects for a US military build-up on Guam and the CNMI, scant notice has been paid to Chinese non-military actions there.

While not specifically mentioned in most “three warfares” literature, historically, China has heavily emphasized intelligence gathering to both characterize and influence a potential battlespace. Sun Tzu, concluded *On War* with a discussion regarding the benefit of intelligence, or “foreknowledge,” to support a commander.²⁵ Although the emphasis Sun Tzu placed upon intelligence collection has survived history, the modern Chinese intelligence apparatus as it is known today is a relatively new phenomenon. Similar to most Soviet inspired institutions, China’s intelligence community was heavily purged during the upheaval of the Cultural Revolution.²⁶ Following Mao’s death, Chinese intelligence first turned inward, and was used by the CCP to control information as a means to promote and maintain social control.²⁷ As a result, the US has largely perceived external Chinese intelligence efforts as a mosaic of amateur, low-level collection, focused on massed rather than targeted information.²⁸

²⁴ Jordan Wilson, *China’s Expanding Ability to Conduct Conventional Missile Strikes on Guam* (Washington, DC: US-China Economic and Security Review Commission, 10 May 2016), 8.

²⁵ Sun Tzu, *The Art of War*, ed. and trans. Samuel B. Griffith (New York, NY: Oxford University Press, 1984), 144-149.

²⁶ Peter Mattis, “The Analytic Challenge of Understanding Chinese Intelligence Services,” *Studies in Intelligence*, 56, No. 3 (September 2012), 52.

²⁷ Mattis, 50.

²⁸ Mattis, 48-49.

The proliferation of Chinese cyber espionage largely fits this perception. Given the prominence of such intrusions, the Office of Personnel Management and the F-35 Joint Strike Fighter Program being two such examples, one could assume China has eschewed a targeted collection approach in favor of mass. Peter Mattis, however, has highlighted such perceptions as incomplete and inaccurate. As Chinese ideals of sovereignty have developed, so have its demands for professional and reliable intelligence collection.²⁹ In essence, Chinese intelligence services have sought to increase their respective capabilities to levels not unlike those found in the US. Chinese intelligence agencies, most notably the Ministry of State Security, and the PLA's General Staff Department, have, despite experiencing the pains of bureaucratic largess, matured the requisite institutional frameworks to synthesize their information windfalls.³⁰ Whereas US intelligence collection, analysis, and distribution were fine-tuned during the Cold War and, most recently, following 9/11, Chinese has been forced to play a game of "intelligence catchup."³¹

One should view Chinese intelligence collection capability as a multifaceted spectrum. In most regards, China has yet to demonstrate collection capabilities on par with western states. However, in certain areas, human intelligence (HUMINT) collection, for example, China's abilities surpass that of the US. In testimony before the US-China Economic and Security Review Commission (USCC), Mr. Mark Stokes asserted, with regards to HUMINT, "the Chinese are more active and effective than we are."³²

²⁹ Mattis, 52.

³⁰ Mattis, 53.

³¹ Peter Mattis, PLA 2.0: China's Military Intelligence Plays Catch-Up," *The News Lens*, 30 December 2016, <https://international.thenewslens.com/article/57998>.

³² US-China Economic and Security Review Commission, *China's Intelligence Services and Espionage Operations*, 114th Cong, 2nd sess., 9 June 2016, 58.

Certainly, one could attribute China's increased HUMINT activity to its perceived national inadequacy and its strong desire to fulfill any intelligence gaps. A marked improvement to clandestine intelligence tradecraft, the ability to identify and target specific individuals for operations, complements China's aggressive mentality.³³ Chinese HUMINT effectiveness has derived from its national proclivity to utilize open sources. In contrast to classified methodologies preferred by the US, China has embraced open source reporting and greatly values all sources ranging from internet media to direct person-to-person interaction.³⁴ With regard to HUMINT collection, it seems China has again favored an asymmetric, quantitatively-focused strategy. China's HUMINT capabilities imply a troubling forecast for US military buildup in Guam and the CNMI.

As discussed in Chapter 2, Guam and the CNMI's respective economies are founded upon tourism and US Department of Defense military investment. China has exploited these two-legged economies as well as permissive tourist and visa policies to develop its foothold in the second island chain. While open source media supports this development, evidence of Chinese exploitation, particularly of HUMINT sources, was not readily available and is most likely accessible only at higher classification levels. Regardless, assuming aggressive Chinese intelligence collection policies, one can infer, based upon the preponderance of Chinese economic inroads, such linkages exist.

First, Chinese intelligence personnel have repeatedly exploited ethnic Chinese populations in overseas communities. Seeking out these persons has been, in fact, one of the first steps of Chinese intelligence

³³ US-China Economic and Security Review Commission, *China's Intelligence Services and Espionage Operations*, 34.

³⁴ US-China Economic and Security Review Commission, *China's Intelligence Services and Espionage Operations*, 37.

collection.³⁵ Chinese ethnicity on Guam and the CNMI is estimated at 1.6% (2,600 of 162,000 people) and 6.8% (3,600 of 53,000 people) respectively.^{36,37} Although it would be wholly unfair to discriminate against these relatively small populations, one should consider these US citizens, simply based upon their ethnicity, at increased risk for Chinese exploitation.

Second, and more significantly, in efforts to support its tourism-based economies, Guam and the CNMI have, in essence, invited Chinese influence. Examining the timeline of tourism exposes just how susceptible both Guam and, the CNMI have become to Chinese influence. Seeing only tourism generated dollar signs, Guam and the CNMI have been blinded by Chinese investment firms who then hire non-immigrant workers to construct hotels to attract, as detailed earlier, an increasing number of Chinese tourists.

First and foremost, Guam and the CNMI economies demand outside investment. Of the roughly 26 hotels on Guam, only one, Tumon Bay Capital Hotel, possesses ownership ties to China, the Tai Shan Investment Corporation.³⁸ Chinese hotel ownership has been far more active in the CNMI. Imperial Pacific International Holdings Limited, a Hong Kong-based investment company, spent roughly \$7B to build a casino resort along Saipan's western coast.³⁹ Although Imperial Pacific launched a "soft" casino-only opening in July 2015, the project, originally slated for completion in the first quarter of 2017, has been beset by

³⁵ US-China Economic and Security Review Commission, *China's Intelligence Services and Espionage Operations*, 78.

³⁶ The World Factbook, "Guam," *Central Intelligence Agency*, 12 January 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/gq.html>.

³⁷ The World Factbook, "Northern Mariana Islands," *Central Intelligence Agency*, 12 January 2017, <https://www.cia.gov/library/publications/the-world-factbook/geos/gq.html>.

³⁸ "Hotel Membership Info," *Guam Hotel and Restaurant Association*, 2016, <http://ghra.org/membership-info/hotels/>.

³⁹ Farah Master, "HK-Listed Imperial Pacific to Invest \$7bln in Saipan Casino Complex," *Reuters*, 25 September 2014, <http://www.reuters.com/article/gambling-imperial-pac-saipan-idUSL2N0RQ0IK20140925>.

delays forcing the group to file for construction extensions with Saipan's government.⁴⁰ Similarly, the success of Hong Kong-based Mega Stars and its Tinian Dynasty Hotel and Casino inspired several other Chinese investment firms to consider CNMI investment. Bridge Investment Group and Alter City Group, both based in China, demonstrated interest in Tinian development with Alter already having signed a lease agreement.⁴¹ The original optimism of these investments has been tempered however by the negative outcomes of Mega Stars' legal proceedings and financial difficulties.

Established in 1998 and owned by Hong Kong Entertainment (HKE) Overseas Investments, a subsidiary of Mega Stars Overseas, the Dynasty's troubles began in 2014 when a confluence of factors came to an unfortunate head. After purchasing HKE, Mega Stars Overseas, another Hong Kong based conglomerate, applied via the Tinian Casino Gaming Control Commission (TCGCC) to manage the Dynasty's casino operation.⁴² The TCGCC first returned Mega Stars' application, then later tasked an independent third party company to review it.⁴³ At the same time, the Financial Crimes Enforcement Network (FinCEN), the US Department of the Treasury's anti-money laundering enforcement arm, was investigating HKE for its suspected criminal misdoings.⁴⁴ In June

⁴⁰ "Imp Pacific Casino Launch Delay Likely Approved: CNMI," *GGRASIA*, 21 March 2017, <http://www.ggrasia.com/imp-pacific-casino-launch-delay-likely-approved-cnmi/>.

⁴¹ Kirby Garlitos, "Saipan Firm Eyes \$4B Casino in Northern Mariana; Reef Casino Directors Support Fung Acquisition," *CalvinAyre.com*, 23 October 2014, <http://calvinayre.com/2014/10/23/casino/saipan-firm-eyes-4b-casino-in-northern-mariana-reef-casino-directors-support-fung-acquisition/>.

⁴² Haidee V. Eugenio, "TCGCC: Any Delay is Solely Due to Mega Stars," *Saipan Tribune*, 10 June 2014, <http://www.saipantribune.com/index.php/tcgcc-delay-solely-due-mega-stars/>.

⁴³ Mark Rabago, "TCGCC: 120 Days to Review Mega Stars' Application," *Saipan Tribune*, 6 June 2014, <http://www.saipantribune.com/index.php/tcgcc-120-days-review-mega-stars-application/>.

⁴⁴ J. Patrick Rowan and Jeffrey M. Hannah, "Tinian Dynasty Case Provides a Few Reminders for Casinos," *Law360*, 10 August 2015, <https://www.law360.com/articles/688918/tinian-dynasty-case-provides-a-few-reminders-for-casinos>.

2015, citing HKE's lack of money laundering oversight programs, FinCEN assessed a \$75M civil penalty, the largest it had ever imposed on a casino.⁴⁵ In addition to civil proceedings, the US Department of Justice also issued an order of forfeiture totaling in excess of \$3M, stating that the casino's rights, title, and interest...is now vested with the US.⁴⁶ These financial penalties led HKE to file for Chapter 11 bankruptcy in December 2015, remaining open but incurring further US Federal oversight.⁴⁷ Despite interest from other Chinese based investors, the Dynasty remains under HKE's ownership.⁴⁸

While not minimizing the severity of HKE's illegal activities, these proceedings occurred as the DoD was considering Tinian and Saipan for the Pacific Air Forces divert activities and exercises initiative as well as Pacific Command's ground and amphibious training range expansion. One could rightly argue the US Justice Department seized an opportunity to neutralize festering Chinese influence as the US DoD fixed its gaze on Tinian as a venue for its strategic dispersal. Although some may deride such a conspiratorial analysis, even if it were merely a happenstance, such outcomes serve as possible exemplar for further US response in Guam and the CNMI.

To return to the tourism life cycle, with prospective deals in place, these investment firms then contract out project construction to various firms, who, in turn, hire non-skilled workers. As stated previously in this chapter, the local populations of Guam and the CNMI have

⁴⁵ Rowan and Hannah.

⁴⁶ US Attorney's Office, Districts of Guam and the Northern Mariana Islands, "U.S. District Court Issues Final Order of Forfeiture Against Hong Kong Entertainment (Overseas) Investments, Ltd, D/B/A Tinian Dynasty Hotel & Casino in the Amount of 2.5 Million," *US Department of Justice*, 26 February 2016, <https://www.justice.gov/usao-gu/pr/us-district-court-issues-final-order-forfeiture-against-hong-kong-entertainment-overseas>.

⁴⁷ Criz Hombrebueno, "Tinian Dynasty Owner Files for Chapter 11," *CalvinAyre.com*, 15 December 2015, <https://calvinayre.com/2015/12/15/casino/tinian-dynasty-owner-files-for-chapter-11/>.

⁴⁸ Adam Morgan, "New Investors Interested in Tinian Casino," *World Casino News*, 6 May 2016, <https://news.worldcasinodirectory.com/new-investor-interested-in-tinian-casino-26884>.

insufficiently supported construction projects necessitating an ever growing non-immigrant work force. That is not to imply the use of these workers is a simple process. For example, for both CW-1 and H2-B visas, employers must navigate a bureaucratic labyrinth, submitting detailed applications, including filing fees, advocating non-immigrant worker use ultimately to be approved or denied by the US Citizenship and Immigration Services.⁴⁹ In and of itself, this process does not seem to imply any nefarious intent. When examining this process through the lens of Chinese HUMINT capability, however, one could perceive these non-immigrant workers, particularly those of Chinese origin, as at greater risk for Chinese exploitation. It would be too great a leap, not to mention culturally insensitive, to infer each of these workers served as a clandestine Chinese agent. Yet, failing to recognize Chinese proclivities for open source collection hampers prudent security risk mitigation.

Finally, with hotel construction completed, tourists descend upon the islands. While Chinese visitors to Guam still require visas, the CNMI presents no such requirements. Additionally, a 45-day travel limit requiring visitors to maintain only a country of origin passport, a hotel reservation, and round trip airfare would seem to favor Guam and the CNMI economies rather than US security concerns. Again, however, any US policy which assumes every Chinese visitor to Guam and the CNMI was a potential intelligence agent and therefore demanded additional security screening, would smack as racially motivated and unnecessarily targeting specific ethnicities. Different from US counterintelligence, which targets the collector to discover a betrayer, China considers these visitors, nonimmigrant workers, and corporate investors, the span of the tourism life cycle, as potential intelligence sources.⁵⁰

⁴⁹ “CW-1: CNMI-Only Transitional Worker,” *US Citizenship and Immigration Services*, July 2014, <https://www.uscis.gov/working-united-states/temporary-workers/cw-1-cnmi-only-transitional-worker>.

⁵⁰ US-China Economic and Security Review Commission, *China’s Intelligence Services and Espionage Operations*, 114th Cong, 2nd sess., 9 June 2016, 106.

It is difficult for one to properly assess the potential information Chinese intelligence could glean from any clandestine HUMINT operations. It would be equally difficult for one to ascertain just how China, namely the CCP and the PLA, would utilize such information. Depending upon the international security environment and Chinese political will, such purposes could range from enhanced HUMINT targeting to a relay of battle damage assessments. The case presented here indicates such Chinese assertiveness in the second island chain is not going away at any time in the near future.

Conclusion

The confluence of US military necessity and local Guam and CNMI economic interest would appear to be mutually beneficial. Unfortunately, multiple layers of bureaucracy and veiled self-interest have muddled this seemingly simple relationship. While US policy must balance its own security and the Guam and CNMI economies, such stability is difficult to attain even in the steadiest of security environments. US failure to match the second island chain's competitive dynamism with equally flexible visa and tourism policies threatens to undermine not only the US's massive financial investment, but also its regional security position.

To compound US difficulties in Guam and the CNMI, China has utilized its low cost, asymmetric strategy. While offsetting US military power projection with IRBMs and cruise missiles, China has also leveraged its intelligence collection capabilities, particularly HUMINT, to exploit gaps in US policy. The CCP and the PLA seem to be channeling the spirit of their ancient military theorist by attempting to subdue their enemy without fighting.⁵¹

⁵¹ Sun Tzu, 77.

Chapter 5

Implications and Conclusions

Often reduced to a simple military problem, expanding Chinese influence in the second island chain is far from a foregone conclusion. While its military capabilities continue to improve, how China uses those forces is vulnerable to much of the same organizational challenges and biases found in the US. One can also extend this perception to China's intelligence and information gathering communities. Given China's relatively closed governmental system, it remains difficult to discern an accurate capabilities assessment. Despite this challenge, little doubt exists regarding Chinese will. Like electric current seeking the path of least resistance, China has sought to exploit loopholes in US policy and immigration law. Prior to its pivot to the Pacific, the US, with its uncompromised security position, could afford to adopt laissez-faire economic policies in Guam and the CNMI. As the regional security environment has become more competitive, however, US policies have remained largely the same, affording China an exploitative advantage. With a military-only solution a non-starter, the US, using all facets of its power, should holistically assess, develop, and implement changes to reverse this negative trend.

Implications of Chinese Action

Of the utmost concern, Chinese influence in Guam and the CNMI directly impacts US regional security. The trench analogy presented in Chapter 2 boiled the US position in the second island chain down to that of a Chinese targeting exercise. Certainly, there is little US military officials and policymakers can do to stem Chinese long-range missile production. Unwilling to risk its regime and thereby witness the Iraqi experiences of 1991 and 2003 firsthand, China has dedicated itself to an asymmetric projectile strategy. Since the dawn of the twenty-first century, it has improved both the capability and capacity of these projectile forces with ranges extending beyond Guam and the CNMI in

numbers sufficient to saturate US defenses. Prohibited by the Intermediate-Range Nuclear Forces Treaty signed in 1987, the US cannot respond in kind with its own missiles and instead has focused on extremely capable, yet extremely expensive platform-centric airpower and sea power projection.¹

Chinese delivery methods have also diversified. Certainly land based missiles, such as the DF-26 “Guam Express,” factor prominently in Chinese projectile strategy. Armed with ever-increasing stocks of medium range ballistic missiles and complemented by an expanding number of ship-launched and air-launched cruise missiles, China has progressively extended its veil of kinetic capability. Additionally, and perhaps most significantly, delivery methods have come at considerably less cost than that of the US target itself. For example, the US has allocated \$85M to construct an aircraft hangar at Andersen AFB’s North Ramp.² Assuming a Chinese cruise missile equivalent cost roughly equivalent to a US Tomahawk or Joint Air-to-Surface Standoff Missile (JASSM), approximately \$1.6M, Chinese saturation capability is further magnified.³ The resultant 50-to-1 missile-to-target ratio not only suggests the numerical superiority of Chinese projectile strategies, but also severity of the US missile defense problem.

Such a disparate missile-to-target ratio possesses even greater impact when one considers Chinese intelligence collection methodology. In addition to government sponsored and widely available commercial overhead imagery, China has exported its domestic HUMINT collection capability to the second island chain. Targeting indigenous persons of

¹ *Treaty Between the United States of American and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles (INF Treaty)*, US Department of State, 8 December 1987, <https://www.state.gov/t/avc/trty/102360.htm>.

² *Construction Programs, Department of Defense Budget Fiscal Year 2017* (Washington, DC: Office of the Under Secretary of Defense (Comptroller), February 2016), State-52.

³ *FY 2015 Program Acquisition Costs by Weapon System* (Washington, DC: Office of the Under Secretary of Defense (Comptroller), March 2014), 5-3, 5-5.

Chinese ethnicities, Chinese intelligence efforts have ranged from low level mass collection to covert espionage. While it would be too bold to claim a tourist from China could gain access to restricted areas on Andersen Air Force Base, one could reasonably argue that the same tourist, possessing some rudimentary spy tradecraft skills, could photograph US construction efforts.

While defense officials may gasp at seemingly disparate Chinese numerical superiority, both in missiles and potential clandestine operators, such bare figures conflate Chinese military capability. First, despite notable advancements in aircraft production, namely the J-10 and J-11 fighters, and the fielding of an aircraft carrier, Chinese technical capability and the quality of its forces have not demonstrated proficiency on par with US forces. For example, the US maintains a distinct advantage in aircraft carrier, stealth, airlift, and attack submarine technologies.⁴ Alarmists have been quick to diminish, or outright forget, these qualitative advantages, particularly given Chinese production capability. Second, as China continues to expand militarily, its bureaucratic institutions must necessarily grow and adapt as well. However, by their nature, and largely independent of cultural factors, bureaucracies have been notoriously slow to change.⁵ Chinese institutions have not been exempt from bureaucratic ossification. PLA intelligence is perhaps the most striking example. Unlike the US, the PLA has largely centralized Chinese overseas intelligence collection under one institution. As the PLA has modernized towards precision munitions, however, its demand for tactical intelligence has grown.⁶ By myopically focusing solely on its burgeoning tactical targeting problem,

⁴ Eric Heginbotham, *The US-China Military Scorecard*, RAND Report RR392, (Santa Monica, CA: RAND, 2015), 3.

⁵ Stephen P. Rosen, *Winning the Next War* (Ithaca, NY: Cornell University Press, 1991), 2-3.

⁶ Peter Mattis, "The Analytic Challenge of Understanding Chinese Intelligence Services," *Studies in Intelligence*, 56, No. 3 (September 2012), 52.

however, the PLA risks its intelligence becoming self-serving; either monopolizing resources or underinvesting in other promising capabilities outside its direct control.⁷ In short, the PLA's single mindedness could lead it towards organizational tunnel vision thereby decreasing its mission effectiveness. Similarly, one could not equate an increase in organizational size with a proportionate increase in intelligence collection utility. Although the Chinese information collection sources have grown and have been more active, one cannot assume a direct translation to better missile targeting solution. Any Chinese intelligence collection must pass through an increasingly ossified, self-interested, stovepiped bureaucratic enterprise. Also, as presented in Chapter 3, Chinese intelligence services are ultimately beholden to the CCP, whose first and foremost priority remains fixed upon domestic stability rather than overseas operations.

Finally, as a distinct aside to military capability, growing Chinese influence in Guam and the CNMI directly impacts these local communities. Given their limited economies, investment, Chinese or otherwise, has been welcomed with open arms. While local leaders may rail against the wide spread use of non-immigrant workers, they are willing to bear such burdens in the hopes of luring more tourists to their respective islands. In turn, these tourists fill governmental coffers, thereby improving the local population's quality of life. Failing to see broader security implications, a common Guam or CNMI resident would implore the US and local governments to encourage Chinese investment, any investment. As demonstrated, China has been all too eager to exploit such economic desires. To be fair, to date, no evidence at the local governmental level exists linking China with the foment of dissent in Guam and the CNMI. Given the preponderance of evidence however, one must recognize China certainly possess (Chinese domestic

⁷ Mattis, 52.

intelligence, targeting of indigenous ethnic Chinese, etc) the capacity to do so.⁸ Viewed in this light, one can consider Chinese influence in Guam and the CNMI as significantly more than a military competition; it is also a competition for control of the Guam and CNMI peoples.

The US Response

To date, the second island chain's security competition has remained largely in the military sphere. To assure US power projection throughout the western Pacific, Guam and now the CNMI have been established and developed as central logistics hubs. In doing so, these military facilities have also become significant targets for both Chinese projectiles and intelligence collection services. Although not to blindly conflate Chinese offensive targeting capabilities, a military-only solution does not fully address the scope of the problem and, one could argue, further aggravates Chinese asymmetrical advantage. That said, any US response and action in Guam and the CNMI should also consider non-military, especially economic, means of influence.

As evidenced by the multifaceted nature of the Dynasty case, the US should consider the adoption a whole-of-government approach to combat and roll back Chinese influence in the second island chain. Any collective organizational efforts should facilitate a coordinated approach, which balances both long- and short-term US objectives with second- and third-order effects most likely to impact the islands' inhabitants. Such forward looking policies should also be sufficiently responsive to leverage targets of opportunity, as in the Dynasty case. These potential fixes would address the major flaws in US policy (namely non-immigrant worker visas and tourist visa waivers) and thereby decrease the likelihood of Chinese incursion. Again, careful consideration and study should accompany any such policy changes to balance US security with the welfare of the Guam and CNMI peoples. Most importantly, although

⁸ Mattis, 51-53.

recognizing socioeconomic geography differences, the US should promote Guam and CNMI policy changes with the underlying goal of promoting and establishing legal equivalency. That is, with its expansion into the CNMI, the US, particularly the DoD, should consider its security position in both Guam and the CNMI as equally important, and therefore as equally vulnerable.

This overriding philosophy would guide US decision making and eliminate territorial inefficiencies. For example, the US could eliminate the CNMI's CW-1 non-immigrant visa waiver program in favor of including the CNMI in an expanded version of Guam's H-2B temporary non-agricultural worker visa program. One should remember the Guam specific H-2B program allows the employment of workers from specific countries; China is not one of them. In addition to streamlining worker policies, the US should address both remaining sides of the tourist triad. To encourage investment from non-Chinese corporations, the US could promote tax incentives for private industries willing to embark upon any construction projects in Guam and the CNMI. While the islands' inhabitants would bear a short term economic burden, the US government and taxpayer could largely subsidize long term economic investment.

Given the increasingly competitive regional security environment, the US should also consider updating its Guam and CNMI tourism policies. As previously stated, currently, while Chinese visitors to Guam must possess a visa, citing economic impact, this visa requirement is waived for Chinese visitors to the CNMI. More importantly, these Guam and CNMI visitors may remain for a period of 45 days. In a 2008 report, the Government Accounting Office identified these tourism policies, particularly those inclusive of China and Russia, as economically beneficial to the CNMI.⁹ To be fair, this report did highlight the necessity

⁹ Government Accounting Office, *Commonwealth of the Northern Mariana Islands:*

of balancing the CNMI's long term economic stability with US security concerns.¹⁰ It would seem, however, these security concerns were brushed aside in the hopes of securing the Chinese and Russian tourist dollar. At a minimum, the US should adopt a singular tourist policy applicable to both the CNMI and Guam. To best protect US regional security objectives, this policy should favor the current Guam policy as opposed to the relatively lax CNMI policy. In any case, such a change would mandate Chinese visitors to the CNMI obtain a US visa prior to travel. While CNMI officials may argue these restrictions as unnecessary and economically detrimental, the visa process would allow the US immigration service to more closely monitor, and, if required, reject travel for those it deems to be an increased security concern. This improved stringency would reduce calls for a decreased period of allowable travel; suggested down from 45 to 30 or even 15 days. Certainly, the effects of shortened tourist stays would be directly manifested by increasingly sluggish and constrictive CNMI economies.

Again, and perhaps most importantly, the US should adopt any such combination of policies only after much planning and consideration regarding potential second- and third-order effects. To nullify Chinese inroads, coordination across US Federal agencies (Department of Defense, US Treasury Department, Department of Homeland Security, etc.) should attempt to streamline rather than bureaucratize US efforts. If guided by a unifying vision of Guam and CNMI legal equivalency, policy makers and military officials alike could best guarantee the US regional security position.

Conclusions

This thesis sought to shed light on a topic that has spent too much time in relative obscurity. Given they are not a place of direct conflict,

Managing Potential Economic Impact of Applying U.S. Immigration Law Requires Coordinated Federal Decisions and Additional Data, (Washington, DC: Government Accounting Office, August 2008), 45-48.

¹⁰ Government Accounting Office, 49.

Guam and the CNMI have flown below the US's collective radar for far too long. One must certainly recognize the difficulties in focusing a government and population on an ongoing but distant competition when lives are being lost in actual combat on Middle East battlefields. Even in the Pacific theater, events in Guam and the CNMI take a back seat to China's South China Sea island reclamation or North Korea's nuclear sabre rattling. Given this unfortunate, yet realistic assessment, the lack of awareness regarding Guam and the CNMI seems understandable; its physical distance is matched or even surpassed by its mental distance. Regrettably, the phrase "out of sight, out of mind" holds water here.

Guam and the CNMI's physical and mental distance should not preclude one, however, from addressing the competition taking place. In addition to island nations closer to China proper, such as Japan and the Philippines, Guam and the CNMI appear to be a very significant part of the greater seam between US and Chinese cultures.¹¹ Again, while one should not blindly infer conflict from such divisions, it would be naïve to assume a high stakes competition is not occurring. This competition is most frequently manifested in the military realm. One can easily recognize the potential threat of expanded Chinese military capabilities. Chinese missiles with "Guam Express," or "Guam Killer" monikers evoke apprehension amongst the Guam and CNMI peoples and fear amongst the DoD establishment. When one considers China's numerically superior cruise missile capacity, these IRBMs gain more strategic significance.

In turn, China's military focused projectile strategies warrant, or have been perceived to warrant, an adequate US military response. Accordingly, the US has sought to nullify China's distinct asymmetrical advantages by applying both active and passive defense measures. Permanent THAAD basing and increased naval and air rotations have

¹¹ Samuel Huntington, "The Clash of Civilizations?" *Foreign Affairs*, 72, no. 3 (Summer 1993): 22-49.

accompanied asset hardening on Guam and dispersal efforts into the CNMI. The prominence of such military moves and subsequent countermoves, coupled with divergent cultural histories, heightens the risk of misperception and an unnecessary escalatory security dilemma.¹² Concluding the trench analogy, it seems each nation has been more than willing to simply strengthen their respective trenches while improving the means to affect those of their enemy.

While media outlets have popularized this military competition, the competition for influence of the Guam and CNMI peoples has gone largely unnoticed by senior decision makers and the American public alike. As a distinct part of its asymmetrical approach, China has leveraged its economic power in the second island chain. China has derived this influence through the exploitation of lax US nonimmigrant worker and tourism policies, continuing to send its workers and tourists to Guam and the CNMI in ever increasing numbers. Until recently the benefit of these economic policies to Guam and the CNMI peoples far exceeded US security requirements.

With the military competition there intensifying, however, these policies have increasingly become a strategic liability; security has begun to outweigh economic benefit. Such an assessment warrants change. While many would consider US security improvements essential, haphazard changes, particularly with regards to Guam and CNMI tourism, threaten to strangle the economic lifeblood of these vital US islands. By holistically yet pragmatically addressing these deficiencies, the US can shore up its vital strategic position in the western Pacific, and by doing so, more importantly, can effectively limit further Chinese incursion.

¹² Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976), 62.

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